

# *The* NATIONAL UNDERWRITER



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THURSDAY, AUGUST 22, 1940



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# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 34

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 22, 1940

\$4.00 Year, 20 Cents a Copy

## Companies to Ponder Next Step in Missouri Case

**Must Now Decide Whether  
to Appeal Decision  
Involving \$8,000,000**

KANSAS CITY—The three-judge federal court here has ordered returned to policyholders the \$7,805,474 of premiums still impounded in the Missouri fire rate case.

Basis of the court's decision were its findings (1) that the late C. R. Street was legally the agent of the fire companies in negotiating the settlement through bribery of T. J. Pendergast, R. E. O'Malley and A. L. McCormack,

E. A. Henne, vice-president and western manager of America Fore, who is chairman of the subscribers actuarial committee, states that no effort is being made at this time to reach a decision whether to appeal the Missouri rate case to the United States Supreme Court. The decision came at a time when many chief company executives were on vacation. Two of the important attorneys for the companies are also vacationing, Homer Berger of Kansas City being on the coast and William Marshall Bullitt of Louisville being in the east. Mr. Henne indicated that some time after Labor Day the matter will be referred to the chief executives. The companies have 90 days within which to take an appeal and hence there is no need for hasty action.

and (2) that company executives had such knowledge of Mr. Street's negotiations as should have put them on inquiry.

Legally, the companies, while they did not come into court with "unclean hands," became subject to that judicial doctrine when they carried through the O'Malley compromise, the court held.

The court made it clear that return of all the money to policyholders was not punitive, but was to prevent the companies from realizing upon the "wrongful acts" involved in the obtaining of the settlement.

### Costs of Distribution

Costs of distribution to policyholders were assessed against the fire companies except that \$336,877 of interest earned while the funds were impounded will be used for this purpose first. Costs over that amount will be borne by companies under the order.

Companies were ordered to pay interest for the time they held the funds.

Superintendent Lucas had asked the court to distribute the funds to policyholders. The companies had asked the court either to leave the funds as dis-

(CONTINUED ON PAGE 6)

## Greeters Named for Buffalo Muster

**Other Organizations to  
Honor National Association  
of Insurance Agents**

NEW YORK—Recognition of allied organizations identified with the American agency system and the welcoming of guests by city and state officials and association hosts will play an impressive and important part in the program of the annual convention of the National Association of Insurance Agents at Buffalo the week of Sept. 16.

The get-together dinner, Sept. 17, customarily the major highlight, will this year take on added significance in its expressed purpose to honor General Counsel W. H. Bennett's 20th year of active service.

President Sidney Smith of Gainesville, Ga., will preside, and introduce distinguished guests and national leaders.

### Number of Greeters

Greetings will be extended by Superintendent L. H. Pink, of New York; Mayor T. H. Holling of Buffalo; President T. A. Sharp of the New York State Association of Local Agents, and President A. C. Glasser of the Buffalo Association of Fire Underwriters.

At the first convention session the following morning, W. D. O'Gorman of O'Gorman & Young, Newark, will bring greetings from the National Association of Casualty & Surety Agents, of which organization he is president.

### Canada to Be Heard

A high spot on this program also, and indicative of the friendly bond between American insurance interests and those of its northern neighbor will be an address of greetings from the Ontario Fire & Casualty Insurance Agents Association by President S. O. Mason of Welland, Ont.

At the second convention session Wednesday afternoon the American Association of Insurance General Agents will be represented on the program by its president, S. B. Scruggs of Gross R. Scruggs & Co., Dallas.

### Official Convention Theme

"Full Efficiency for '41" has been designated as the official theme of the convention. In thus focusing major attention upon the factor of efficiency, the National association is expressing its desire and determination that local agents and the business as a whole achieve in the immediate future a greater degree of efficiency and competence than ever before.

The selection of the above provocative phrase as the keynote for its traditional meeting, therefore, further serves to emphasize the preeminent interest attached to this important question.

General Counsel W. H. Bennett, who will deliver the keynote address at the opening main convention session on Wednesday, will develop "Full Efficiency for '41" as the title and theme of his discussion.

## Blue Goose Grand Nest Meeting On

**Much Merriment Evincing  
in the Pre-Convention  
Period**

PHILADELPHIA—In this historical old city of brotherly love, where in 1794 the first incorporated stock fire insurance company was organized, the 34th annual convention of the grand nest of the Blue Goose is being held. It got off to a flying start Tuesday morning at the Ben Franklin Hotel, although the business meeting did not formally open until Wednesday morning.

Some of the delegates are utilizing the opportunity to combine their vacation with the convention, many arriving Monday for sightseeing and the open house hospitality of the Pennsylvania pond in the evening. Paul M. Fell, past most loyal gander of the Pennsylvania pond, is general chairman and assisting in the entertaining are the Chesapeake, Empire State, New England, New York City and West Virginia ponds.

While registration occupied most of the first two days, most of the delegates and guests with their ladies took in sightseeing trips, first to historic Valley Forge and paid tribute to the headquarters of George Washington.

### Golf Tournament

The international and traditional golf tournament was held and Edward Stuart Windsor of Baltimore, was winner, (no relation to the Duke) and George Edmondson of Tampa, Fla., was runner up.

On Tuesday evening there was a delightful dinner at the hotel. East is east and west is west and never the twain shall meet, but J. R. (Buck) Knowlan, most loyal grand gander, rides again as everyone including the many ladies were decked out in ten gallon hats and cowboy sombreros and the proverbial bandanas in true western style, with each one provided with about \$1,000,000 stage money.

At this writing Phil Winchester of Newark appears to be the leading candidate for grand keeper of the golden goose egg. The report of the grand welder showed the largest membership in the history of the Blue Goose.

## Flies 4,500 Miles to Adjust Big Alaska Loss

In adjusting a \$500,000 loss at Fort Althorpe, Alaska, Manager G. L. A. Lauer of the Los Angeles branch of the Fire Companies Adjustment Bureau flew 4,500 miles from his home station to the scene of the fire and back. The plant destroyed was that of the Alaska-Pacific Salmon Co. The cannery plant, two warehouses, part of the docks and some smaller buildings were burned.

Mr. Lauer took a plane from Los Angeles to Seattle, conferred with the officers of the insured firm there, took a Clipper plane to Juneau, Alaska, where a chartered plane was waiting for him, journeyed to Fort Althorpe, made his survey and engineering study of the loss, flew to an adjoining plant, arranged

## U. S. Flag Vessels Get Number of Rate Decreases

**Failure of Anticipated  
Developments to Mater-  
ialize Main Cause**

NEW YORK—American marine underwriters have made a number of reductions in rates, particularly on cargoes in American flag vessels. These changes do not so much reflect a diminution in the actual hazard as the failure of anticipated developments to materialize.

Rates on U. S. flag vessels from Africa, formerly 2 percent, are now 1½ percent. On other neutral flag vessels the rate is now 3 percent, having formerly been 4 percent. From Australasia the rate on imports in U. S. flag vessels, either via the Panama Canal or trans-Pacific, is now ½ percent, having been reduced from 1 percent. On exports, formerly 1 percent, the rate is ¾ of 1 percent. On other neutral flag vessels, the rate has been reduced from 2 percent to 1 percent on imports while on exports it has been reduced from 2 percent to 1¼ percent.

To the rest of the east and to the far east the rate has been reduced from 2 percent to 1½ percent in American flag vessels and from 4 percent to 3 percent in other neutral flag vessels. Reductions in the rate for cargoes in belligerent flag vessels have not been made except for the western hemisphere.

Underwriters are pretty much in the dark as to actually how bad the situation is around the British Isles, since the conflicting claims of the British and the Germans are so far apart. Even if an accurate figure could be had the number of planes shot down by the British is of less importance than the damage done by the raiding planes before being destroyed.

Fortunately for the American market, most of the coverage on cargoes to England is placed in the British government war risk pool because of the low rates. Probably at least 75 percent of the American war risk insurance is on cargoes outside the "hot" zones, being mainly in the vicinity of Africa, the east and far east, and in the western hemisphere.

The British yielding of Somaliland may increase the hazard of Italian capture of goods going to the eastern end of the Mediterranean around the Cape of Good Hope and through the Red Sea and Suez Canal. West of Italy the Mediterranean is pretty well under Italian control but the eastern Mediter-

(CONTINUED ON LAST PAGE)

to have it care for the product, flew back to Fort Althorpe, returned by Clipper to Seattle, made a preliminary report, and then took another plane to Los Angeles.

## Group Sessions to Be Held at the Buffalo Convention

NEW YORK—Of increasing merit and interest at annual conventions of the National Association of Insurance Agents each year are the local board conferences and group sessions on agency management and operation. At the forthcoming meeting at Buffalo, Sept. 16-19, they will again be found in prominent positions.

The local board conferences, which are held separately in three population groups to take up methods and problems peculiar to their cities, will be held this year the afternoon of Sept. 17.

Group 1, comprising local boards in cities up to 5,000, will be in charge of J. K. Boyce of Amarillo, Tex. V. G. Henry, president of the Wichita (Kans.) Insurers, will preside at the Group 2 conference, for cities of population from 50,000 to 250,000 and over Group 3 conference, G. W. Haerle of Portland, Ore. who retired recently as president of the Oregon association and is now national councillor. This session will be for cities which have from 250,000 population up.

### Agency Operation

There will also be three meetings of the group sessions for the discussion of agency operation and management, classified as to premium income. These will be held Sept. 19, morning. Culver Vaughan of Louisville, past president of

the Louisville Board, will preside at the first session, for agencies producing up to \$100,000 in annual premiums.

Group 2, for agencies producing from \$100,000 to \$300,000 in annual premiums, will be under the direction of R. M. L. Carson, of Glens Falls, immediate past president of the New York state association.

H. R. Preston of Springfield, Mass., also a former state association president, will have charge of the third session, for agencies producing over \$300,000 in annual premiums.

### Breakfast Conferences

In addition to these group meetings, there will also be four committee breakfast conferences, Thursday, for those agents interested in the activities of the accident prevention committee, John J. Roe, Jr., Patchogue, N. Y., chairman; the fire prevention committee, Terrell Woosley, Lake Charles, La., chairman; membership committee, D. A. North, New Haven, Conn., chairman, and the publicity and education committee, L. P. McCord, Jacksonville, Fla., chairman.

As customary, the four territorial conferences for national councillors will also be held. They will meet Sept. 16, morning. The divisions are east, south, middlewest and coast.

## Corn Resealing Program Involves Insurance Setup

The Agricultural Adjustment Administration has released details of the insurance on the corn resealing program for this fall which will include the 1938 and 1939 corn already under storage.

"Producers will be required to purchase primary insurance on all corn resealed for the storage period ending Oct. 15, as provided in the loan," the instructions state. "The amount of insurance shall not be less than the amount of the note plus interest to maturity."

"Secondary insurance will be purchased by Commodity Credit Corporation on all resealed corn."

"Nineteen thirty-eight corn carries no insurance, but all 1939 corn carries primary insurance for one year from date of loan, and upon obtaining the new insurance, the cancellation of outstanding certificates will be on a pro rate basis if applied on the new insurance with the same insurance company."

Secondary insurance is carried by the government and covers errors and omission.

A.A.A. officials pointed out that under this year's program, one and two year storage plans are provided for, while previously only one year storage had been provided. It is believed that a two year note will require a two-year premium.

The amount of insurance has to be the total of the note plus interest to maturity. In the past some difficulty has been experienced in not including the interest in the total amount.

## Lloyds Insures Against Loss Caused by Hoists

London Lloyds is reported to be issuing in this country now a form of insurance covering damage caused by direct physical damage resulting from the failure of cranes and electrical hoists. The insurance is for the benefit of the assured and is not to be confused with public liability or third party property damage insurance that might be purchased covering the crane. It does not provide protection for acts of negligence nor does it cover consequential loss due to stoppage of operation. What is covered is loss or damage to the object being hoisted or to property damaged by the dropping of an object.

## July Fire Loss Shows Improvement from Year Ago

The National Board estimates that the fire loss in July was \$20,322,800, which was 9.5 percent below the record of July, 1939. The total loss for the first seven months is now estimated at \$190,392,280, as compared with \$188,353,230 for the parallel period last year. That is 1.8 percent above the experience for the same period a year ago. The record by months for the past three years is shown herewith:

	1940	1939	1938
Jan.	\$36,260,650	\$27,615,316	\$27,676,337
Feb.	\$34,410,250	\$29,303,520	\$26,472,626
Mar.	\$29,788,800	\$30,682,168	\$29,050,968
Apr.	\$26,637,190	\$27,061,522	\$25,616,112
May	\$23,446,590	\$27,031,700	\$22,917,577
June	\$19,506,000	\$24,190,700	\$19,478,617
July	\$20,322,800	\$22,468,304	\$20,434,688
Seven mos.	\$190,392,280	\$188,353,230	\$171,641,925

### Saint Opens Local Agency

John D. Saint, who resigned some months ago as executive secretary and manager of the Tennessee Association of Insurance Agents, has established the

## Wis. Strikes Blow at HOLC Deal

Commissioner Duel of Wisconsin has issued a ruling which requires the companies to modify their method of writing Home Owners Loan Corporation business in Wisconsin from the system that is employed in other states. He argues that the new contract between the Stock Company Association and HOLC violates several provisions of the Wisconsin law, and the standard fire insurance policy.

Mr. Duel requests that the standard fire insurance policy of Wisconsin be issued for each individual risk and be countersigned by a resident licensed agent; that there be a separate daily report for each individual risk. He asks that each company that is licensed in Wisconsin and is a member of the Stock Company Association furnish the Fire Insurance Rating Bureau with a written statement stating that none of the benefits that are set forth in the agreement between the SCA and the HOLC that are in violation of the Wisconsin law and the standard fire policy provisions be continued or granted on Wisconsin business.

Such statements, he said, shall specifically provide that there will be no payment of any fees, commissions, service charges or rebates to the HOLC; that there will be no flat cancellation up to 60 days; that there will be no prohibition of the cancellation of an individual policy; that there will be no automatic coverage on improvements; that there will be no vacancy and unoccupancy beyond a period specified in the policy; that there will be no provisions regarding waiving of parts of the agreement affected by standard fire policy laws. Mr. Duel also asks companies to assure him that a company not licensed in Wisconsin shall not in any way participate in the business located in Wisconsin; that companies that are licensed in Wisconsin will not pay any commissions to any member of the SCA that is not licensed in Wisconsin or any other person for the benefit of the HOLC.

Company representatives have had conferences with Mr. Duel in regard to his stand on the HOLC business. The restrictions that Mr. Duel has imposed are of such a nature that they make the HOLC-SCA agreement almost unworkable in the state, company observers feel.

Saint Insurance Agency at Bowling Green, Ky. Since leaving the Tennessee association he had been at Oklahoma City, having a temporary connection with the Oklahoma Independents, a merchants' group.

## Levant Strikes at Compulsory Auto Insurance Scheme

### President Minnesota Association of Insurance Agents Outspoken

DULUTH—In his address at the opening session of the annual meeting of the Minnesota Association of Insurance Agents, President Harry Levant of Eveleth called upon the members to lead the fight against compulsory automobile insurance in Minnesota; urged the association to take a definite stand on the question of qualifications of agents; called attention to the "chaotic" conditions in the casualty insurance field and gave the BDO a gentle jab for recent inactivity.

President Levant took a rap at non-member agents. "It seems to me that the agents who are most in need of knowledge as to the insurance business shun the annual and mid-year meetings," he said. "Apparently they continue to think that dabblers can be successful, even though the signs of the times clearly show otherwise."

### Agents in Politics

Agents should be more than casually interested in politics, he warned. "In order to prevent enactment of harmful legislation in Minnesota next winter every one of use must be alert and responsive to the bulletins of the legislative committees," said Mr. Levant. "If you fail in your part individually you contribute accordingly to the programs of economic charlatans."

Because of the fact the Minnesota State Bar Association has come out openly in support of compulsory automobile insurance, President Levant dwelt at length on this issue.

"I am convinced that the primary interest among some of the organized lawyers is centered upon the enormous amount of litigation that accompanies compulsory automobile insurance," he declared. "However, it is with pleasure that I observe a considerable segment of the Minnesota State Bar Association opposed to the action of the organization. I think we can count on them for support in opposition to the proposed legislation."

### No One Copied Massachusetts

"Surely it is significant that although many states have investigated the workings of the compulsory plan in Massachusetts, not one has copied it. Furthermore, it is the contention of virtually every expert on traffic accidents that compulsory automobile insurance actually subordinates factors of safety on the highways in favor of compensation based on the barbaric creed of 'pay as you maim and kill.' There are many other practical objections to compulsory automobile insurance and all of them have been demonstrated in Massachusetts. It devolves upon us to lead the fight against the bill of the bar association. We cannot afford to be indifferent in regard to the proposed legislation."

As to agents' qualifications, President Levant said: "Up to now we have done little other than study the problem. I think the time has come for us to make a decision as to what should be required for entrance into the insurance business as an agent. I recommend action along the line the committee suggests."

"The BDO program seems to have (CONTINUED ON PAGE 10)

## THIS WEEK IN INSURANCE

Vessels carrying U. S. flag get some rate reductions. **Page 1**

Annual gathering of the grand nest of the Blue Goose is on this week in Philadelphia. **Page 1**

Company executives expected after Labor Day to reach a decision on whether to appeal to the United States Supreme Court from the adverse decision of the three judge federal court in Kansas City returning to policyholders some \$8,000,000 in the Missouri rate case. **Page 1**

Harry Levant of Eveleth, Minn., gives forceful address before the annual meeting of the Minnesota Association of Insurance Agents. **Page 2**

Chairmen for the group sessions at the Buffalo convention of the National Association of Insurance Agents are announced. **Page 2**

Montana agents hold largest annual meeting on record. Deplore excess appointments of agents. **Page 3**

Minnesota Association of Insurance Agents is holding its annual meeting in Duluth. **Page 3**

Insurance committee of the National Association of Mutual Savings Banks, in a report finds foreign insurance companies sound. **Page 3**

Program is announced for the annual meeting of the National Association of Mutual Insurance Agents in Washington, D. C. **Page 4**

The biggest single loss as a consequence of the hurricane in the Savannah-Charleston region was caused by fire in the International Shoe Company plant at North Wilkesboro, N. C. with damage estimated at \$600,000. **Page 4**

National Bureau of Casualty & Surety Underwriters announces further revision in liability insurance coverages in a number of cases. **Page 11**

Program is announced for the annual meeting of the International Association of Insurance Counsel at White Sulphur Springs. **Page 11**

Medical expense endorsement approved by Commissioner Yetka of Minnesota, with certain restrictions. **Page 13**

At the Minnesota local agents meeting this week, A. B. White of Keene, N. H., discusses the financial responsibility law and assigned risks plan of his state. **Page 11**

M. P. Corneliux, president Continental Casualty, advises greatest possible stability of the insurance business when opening the annual claim men's meeting of his company in Chicago. **Page 11**



## Savings Banks Have Made Report as to Foreign Companies

### Committee on Insurance Points Out Their Financial Responsibility

NEW YORK — Current discussion about the status of foreign fire companies operating in the United States, and particularly British companies, took on new interest by the findings of the committee on insurance, National Association of Mutual Savings Banks. The chairman of that committee, R. B. McGaw, issued a statement in which he said:

"To be briefly historical, it may be observed that during the last world war, the experience in respect to the United States branches of foreign insurance companies indicated that eight Russian and 14 German companies doing business in this country were liquidated without any loss to policyholders. Such record might prove encouraging as relating to present conditions and operations.

"Regulations under which foreign companies are authorized to operate in this country provide adequate safeguards for the protection of American policyholders, the laws of New York being particularly stringent with respect to such safeguards, and such laws are representative of those of other states with regard to the protection required.

### Must Put Up a Deposit

"Before any foreign company obtains a license to transact business in the United States, cash or approved securities must be deposited in such amount as may be equal to the minimum capital requirements of domestic companies. Other requirements provide for deposit with trustees, corporate or individual, approved by insurance departments, of additional securities of stipulated character and of highest grade, intended solely for the general benefit and security of policyholders. Moreover, as additional investments are made, they are placed in the custody of trustees, the effect of which is that almost all of the invested assets are held under deeds of trust to be used solely to meet obligations incurred in this country.

"A recent examination of the statements of the United States branches of foreign companies reveals that surplus funds are large in proportion to the volume of business transacted, and apparently adequate for the payment of losses which reasonably might be assumed would develop.

### Trusted Assets on Deposit

"It is indicated that collectively on Dec. 31, 1939, the trusted assets on deposit, held for the benefit of American policyholders, approximated \$385,000,000, representing 156 percent of aggregate outstanding liabilities, such trusted assets in most cases being based on the amortized values of bond holdings, the actual market value being considerably higher.

"It might also be of interest to note that such rules and regulations as govern the operations of these United States branches, some companies being domiciled in Norway, Denmark, the Netherlands, Belgium and France, have been further supplemented by executive orders of the United States government, designed among other things for the further protection of American policyholders."

## Minnesota Agents Gather in Duluth

### Dinner for Past Presidents of State Association Is Opening Feature

DULUTH, MINN.—The annual meeting of the Minnesota Association of Insurance Agents got under way here Wednesday with a meeting of the executive committee. The convention proper opens Thursday morning and early arrivals indicate an especially large attendance. Duluth has always been a popular meeting place with agents.

The Duluth Underwriters Association, host at the meeting, had all arrangements well in hand. E. C. Huhnke is chairman of the general committee.

A dinner was held Wednesday evening in honor of past presidents of the state association. Of the score and more of past presidents, 18 are still living and most of them were present at the dinner. Among the past presidents invited to the dinner were C. F. Liscomb, E. C. Huhnke and E. B. Dunning, Duluth; John Harrison, R. M. Thompson, A. F. Pray, P. H. Ware, F. S. Preston, A. B. Caswell, Minneapolis; C. O. Brown, Rochester; W. N. Niskern, St. Cloud; Roy Nienhauser, J. Q. Haas, Henry Adams, John McGee, R. J. Lilly and S. C. Aldridge, St. Paul. Mr. Haas, at 85, is the oldest in years and also his administration dates back farthest, to 1908.

It is interesting to note that Frank S. Preston, now secretary-treasurer, is a son of Charles P. Preston, the first secretary-treasurer 43 years ago.

### Kansas City, Kas., Board Elects

KANSAS CITY—The Kansas City, Kans., local board reelected Gilbert Henry, L. H. Wingett and Russell Benton as directors for one year. Cheney Prouty and Louis Cohen carry over for one year, and Harry Smith and George McAnany are carryovers for two years. These directors will elect new officers at a meeting Aug. 26. The present officers are Harry Smith, president; Mr. Wingett, vice-president, and Gilbert Henry, secretary-treasurer.

### Heavy Pre-Convention Registration

BUFFALO—Hotel reservations and registrations for the annual meeting of the National Association of Insurance Agents here Sept. 16-19, are coming in at a steadily increasing rate. Hotel reservations have already been made for more than 1200 persons and upwards of 650 registrations have been recorded.

### John Gardner Joins Air Service

John Gardner, who has been manager of the brokerage department in Chicago for Pearl, is leaving this week for Toronto to commence service in the Royal Air Force. He has been assigned to administrative work. Mr. Gardner, an Englishman, has made many friends in Chicago during his association with Pearl.

The **Hoodoo Day** approach really sells accident and health. Get details from your company.

## General Chairman Has Had Two Big Conventions

R. H. Mason, Buffalo, chairman of the general committee of the Buffalo agents looking after the details of the annual meeting of the National Association of Insurance Agents to be held in that city Sept. 16-19, is the first man in the ranks to serve twice as general chairman of the National convention.



R. H. Mason

He was general chairman when the National association met in Buffalo in 1923. That marked the first of the really large conventions conducted by the association. Mr. Mason is a native of Buffalo and joined the agency of Smith, Davis & Co., of which he is president and secretary, more than 50 years ago. He started in the fire insurance department. He has represented the firm on the Buffalo Board since 1905. He was chosen president of the board in 1920 and served for two years. He has been a member of its important committees. Buffalo is the first city that has entertained the National Association of Insurance Agents four times. The first was in 1899, second in 1911, third in 1923 and fourth this year.

### Declaratory Judgment Used

Walter D. Hanson of the legal firm of Rittenhouse, Webster, Hanson & Rittenhouse, Oklahoma City, refers to a case involving use of the declaratory judgment by fire companies in Oregon. He states that declaratory judgment had been used by companies in Oklahoma in another case prior to the use in Oregon in which his firm represented the companies.

On Aug. 2, 1939, a roadhouse near Muskogee, Okla., was destroyed by fire, the assured having 13 policies aggregating \$9,500 coverage. These companies joined and brought a declaratory judgment action in the United States district court for the eastern district of Oklahoma against the assured, using the aggregate amount of insurance to give federal jurisdiction. Suit prayed for a declaration that the assured had caused or procured to be caused the fire and a declaration of non-liability.

On Aug. 16, 1940, the court filed its findings of fact and conclusions of law finding in favor of the companies upon all the issues and ordering a decree of non-liability.

### FCIC Pays 27,600 Claims

Federal Crop Insurance Corporation reports that up to Aug. 6 it has paid out 27,600 indemnity claims for 6,655,000 bushels of wheat on account of 1940 crop insurance. Premiums collected on account of the 1940 crop amounted to 14,806,000 bushels of wheat. Of the claims that have been paid, 5,200,000 bushels were paid in cash equivalent and 1,450,000 bushels in wheat. About 76 percent of the indemnity is going to growers in the principal hard winter wheat states where severe losses occurred last fall and winter as a result of drought.

## Record Gathering of Montana Agents at Lewistown

### Excess Appointments of Agents Deplored—Sidney Smith Speaks

#### OFFICERS ELECTED

President—Peter Yegen, Jr., Billings.

Vice-president—Fritz Norby, Great Falls.

Secretary—Arnold Huppert, Livingston.

LEWISTOWN, MONT.—The Montana Association of Insurance Agents held the largest convention in its nine-year history in this geographic center of Montana with 141 members and guests registered.

With Sidney O. Smith, Gainesville, Ga., president of the National Association of Insurance Agents, as distinguished guest speaker on "The New Order," the convention moved smoothly through two business sessions on the first day concluded by a banquet and dance.

Other guests included H. P. North, San Francisco, assistant director Business Development Office, who spoke on "The Function of the Business Development Office;" Commissioner Holmes of Montana and S. C. Ford, Helena, Republican nominee for governor.

President C. R. Fowler, Lewistown, expressed the need for an insurance public relations man in Montana and urged the need for a more select group of agents to build up confidence in the institution of insurance and correct the evils of irresponsible agency appointments.

### Active, Vigorous Body Needed

In stressing the need for increased membership, Mr. Fowler pointed out that "premiums are necessary to pay losses." Likewise, membership is required to maintain an organization. "Not just numbers, but an active, vigorous membership is necessary to supply the source from which radiate the enthusiasm, the energy, the ideals and the unity which are required for the successful progress of any society."

Business development meetings were held at numerous points with very satisfactory attendance, Mr. Fowler reported. "They have clearly demonstrated the interest and willingness of the local agents to cooperate in such an educational plan."

"The basic interests of the local agents and of the companies are identical," Mr. Fowler pointed out. "The local agent, operating under the American agency system, secures through personal salesmanship and effort the premiums that finally are required to pay any losses—and this premium income secured through the work of local agents still

(CONTINUED ON PAGE 15)

## June 30, 1940 Statement Figures Filed in Georgia

	Capital	Assets	Surplus		Capital	Assets	Surplus
Allstate	400,000	\$ 5,387,765	\$ 1,017,694	Merchants Fire, N. Y.	2,500,000	16,166,407	7,653,513
Allstate Fire	300,000	1,401,975	382,222	Mercury	1,000,000	6,619,980	3,142,846
American General	750,000	2,990,827	671,311	Michigan F. & M.	1,000,000	4,370,252	1,534,284
Birmingham, Pa.	500,000	1,428,236	676,788	National Union	1,100,000	16,994,346	5,054,337
Buffalo	1,000,000	6,883,956	2,125,713	New England	1,000,000	8,451,920	1,003,431
Commercial Fire, Ga.	100,000	158,183	20,331	Niagara	2,000,000	22,411,062	14,178,673
Continental	5,000,000	91,249,128	58,158,846	Pacific National Fire	1,250,000	9,206,031	1,764,642
Emeco	600,000	5,896,251	1,249,451	St. Paul F. & M.	10,000,000	44,672,042	21,572,569
Fidelity-Phenix	3,750,000	70,904,884	44,548,793	Southern Fire, Ga.	135,060	293,346	75,332
General, Wash.	1,000,000	13,961,313	3,806,658	Springfield F. & M.	5,000,000	33,679,359	13,381,466
Great American	8,150,000	46,490,392	21,919,843	State of Pa.	1,000,000	4,439,165	697,577
Houston F. & C.	500,000	1,349,393	331,804	Trinity Universal	1,000,000	6,488,044	1,153,957
Maryland	1,000,000	3,056,961	1,586,375				

## Hurricane Loss Totals Still Vague

### Biggest Single Loss Was Due to Fire at North Wilkesboro, N. C.

ATLANTA — Reports of insurance loss as a result of the hurricane that visited the southern Atlantic coast Aug. 11 are still fragmentary. Some estimates of loss run as high as \$500,000 in the Savannah neighborhood and \$1,000,000 in Charleston, S. C., and vicinity.

The greatest single loss appears to have been at the plant of the International Shoe Company at North Wilkesboro, N. C. This plant was involved in a fire during the flood when the water system of the town was out of commission and the sprinkler systems were without water. There was about \$1,000,000 insurance on this property in the factory mutuals and the estimate of the loss is now about \$600,000. This line was placed through Protection Mutual of Chicago and it was a coincidence that President John L. Wilds of that company was in the neighborhood on vacation. He went to North Wilkesboro this week.

#### Loss on Chair Plant

It is reported that the Home Chair Co., also of North Wilkesboro, suffered a fire loss which is estimated at more than \$100,000. This insurance was in stock companies. One report is that this fire resulted from contact of live power lines with the building when poles which had been undermined by the flood fell and flood prevented firemen from fighting the fire.

Chief Engineer H. N. Pye of the Southeastern Underwriters Association is conducting extensive surveys. Adjusters of the Fire Companies Adjustment Bureau and S.E.U.A. from Atlanta reached the hurricane sections over almost impassable roads.

H. M. Bray, manager of the Fire Companies Adjustment Bureau at Columbia, S. C., supervising Charleston, in a preliminary report, stated that damage in Charleston was scattered over the entire city. There are some large claims along the waterfront streets and in wholesale houses, cotton warehouses and fertilizer plants. Over the city as a whole, he reported, the claims will be comparatively small. There is little structural damage to residences. Damage is mostly to roofs and interior damage from water. From Broad street toward the Battery, a great deal of damage was caused by the flooding of basements and lower floors.

#### Expect Many Automobile Claims

Mr. Bray remarks that although such damage is excluded from the policies, nevertheless claims will be made. The mercantile stock damages are confined to a very few on the waterfront streets. There will be numerous automobile claims caused by cars being flooded or submerged in salt water.

Sullivan's Island escaped with little damage as did the Isle of Palms, but apparently there is extensive damage on Folly Beach, with 50 or more homes destroyed. Newspaper reports, he said, indicate that Beaufort, S. C., suffered extensive damage; that at Adisto Beach, S. C., a summer colony, probably 100 homes were destroyed largely by wave action.

#### Fire Defenses Impaired

Mr. Pye stated that the municipal fire defenses of Charleston and Savannah were seriously impaired for a short time, but prompt action was taken to restore the impaired facilities. Although the operations are not back to normal as yet, only relatively minor impairments now exist. Engineers of the S.E.U.A., it is stated, have visited most of the sprinklered risks in Savannah and Charleston. Many gravity tanks were

## Interesting Souvenir in a Bed of Geraniums

NEW YORK—P. W. Bartlett, member of the Insurance Exchange of Los Angeles, while working recently in his geranium bed, unearthed a small, well-preserved copper disk which bears the wording, "National Association of Local Fire Insurance Agents' 4th Annual Convention, August 9-12, 1899." The fourth annual convention of the National association was held in 1899 at Buffalo, the scene of this year's 45th annual meeting.

When informed of the extraordinary discovery, members of the National association headquarters staff could not imagine what the disk could be, unless it is part of the convention badge of that year, or a novelty souvenir commonly produced in that period as mementos of conventions, world's fairs and exhibitions.

## Order Claim Schedule Filed for Kansas City Reciprocal

KANSAS CITY—The circuit court here has ordered the superintendent of insurance to file by Aug. 28 a schedule of indebtedness of claimants of the Manufacturing Lumbermen's Underwriters, reciprocal the department is liquidating.

The schedule will show the gross amount of each claim as allowed by the commissioners of the court, mutual indebtedness of the claimant to the MLU estate deductible from the gross allowance, and the non-mutual indebtedness deductible from the gross dividends which may be ordered paid on the claim.

The superintendent is to notify each claimant by postal card of the amount of his indebtedness to the MLU estate and whether it is deductible from the gross amount of the claim as allowed or any dividends which may be ordered paid on the claim.

Claimants excepting to the deductions will file the exceptions with the court by Sept. 4; otherwise the account of the superintendent will be considered confirmed.

Commissioners filed their report with the court Aug. 1; claimants had 10 days to file exceptions. The department expects to start paying fourth class claims (other claims and losses are paid) by mid-September with the first dividend about 70 cents on the dollar.

## Ontario Agents Meet Oct. 17-18

TORONTO—The annual convention of the Ontario Fire & Casualty Insurance Agents Association will be held at the Royal York Hotel, Toronto, Oct. 17-18, according to present plans.

A large attendance is expected, due to the important matters which will be discussed as a result of the war situation. It is stated that Superintendent McNairn, Ontario, may propose the association adopt a code of ethics similar to that adopted recently by the Ontario Insurance Adjusters Association, but the superintendent has made no overtures to the agents association as yet.

President S. O. Mason of Welland will preside. Secretary Charles Priestman finishes 20 years service as secretary with this convention, and will start on his third decade in that position.

emptied but most of the sprinkler impairments were of a minor nature and the systems were promptly restored to commission. Separate bulletins are being published where there are sprinkler impairments of consequence. Mr. Pye states property damage was appreciable but not severe. Numerous roof coverings were torn loose and consequently stocks were damaged by the rain which accompanied the hurricane.

## Mutual Agents Plan for Annual Meeting

### Program Announced for Convention to Be Held in Washington, D. C.

WASHINGTON, D. C.—C. M. Boteler, president National Association of Mutual Insurance Agents, announces that, because of a conflict of meetings, the association has been forced to change the dates for its convention, to be held



C. M. BOTELER

at the Wardman Park Hotel in Washington, from Sept. 18-20 to Sept. 24-26.

There will be registration and business meeting the morning of Sept. 24 with the afternoon devoted to the golf tournament and sightseeing trips for the non-golfers and in the evening a special program for the ladies and a stag get-together for agents.

The morning of Sept. 25 President Boteler will give the address of welcome on the convention theme, "Preparedness for Mutual Agents." H. A. Kern, assistant secretary of Central Manufacturers' Mutual, will speak on "Fundamental Principles of Salesmanship"; A. M. Best, president A. M. Best Company, "Present Trends in Fire and Casualty Business"; R. C. Baker, executive vice-president Mutual Fire Insurance Association of New England, "Value of Organization."

Afternoon speakers are R. L. Van Fossan, Lumbermen's Mutual of Mansfield, president of the Southern 1752 Club, on the "Constructive Value of Field Men's Clubs to Mutual Agents"; F. W. Catlett, director Federal Home Loan Bank Board, "History and Purposes of the Federal Home Owners Loan Corporation"; G. W. Sulley, National Cash Register Company, "Streamline Your Selling."

"Take the Witness Stand" will call to the rostrum Thursday morning these successful mutual agents from all parts of the country to answer questions about the practical operation of their agencies: Laurence Murray, Columbus; Dudley Kinkade, St. Louis; Morris Batzer, Atlantic City; O. S. Woodward, Richmond; Al T. Kramer, Elizabeth City, N. C.; Fritz Forseth, Aberdeen, S. D.; E. L. Peard, Buffalo; W. T. Turner, Martinsville, Va.; T. R. Schultz, Birmingham; F. E. Heckes, Lakeland, Fla.; and H. H. Murray, Jr., Raleigh, N. C.

This will be followed by a dramatized "Trip to the Home Office," divided into two sections, one for fire and another for casualty companies. This will afford the companies an opportunity to emphasize the things that agents can do to help improve the efficiency and un-

## Mutual Companies Announce Program for Annual Muster

Secretary H. P. Cooper of the National Association of Mutual Insurance Companies has sent out the program of the annual meeting to be held in the Netherland-Plaza Hotel, Cincinnati, Sept. 17-19. The date was originally set for a week later, but the probability of the world baseball series beginning in Cincinnati Oct. 2 caused the time to be shifted forward. The directors will meet the Monday preceding the convention. There will also be a meeting of the officials of the various state associations Monday afternoon. Breakfast meetings will be held Tuesday, Wednesday and Thursday mornings.

The Advertising Sales Conference luncheon will be held Wednesday noon. The afternoons of Tuesday, Wednesday and Thursday will be devoted to group meetings which include among others the Federation of Mutual Fire Insur-

(CONTINUED ON LAST PAGE)

## Pierce & Sibert Case Continued

LOS ANGELES—By consent of counsel, the motion for a change of venue by the defendants in the case of Pierce & Sibert against the Pacific Board, its member companies, General Manager S. L. Carpenter, Jr., Cosgrove & Co. and Willard W. Keith, which was set for argument Aug. 20 has been postponed to Sept. 5.

It is understood that the demurrer of Cosgrove & Co. and Keith may be argued at the same time.

## Changes in T. W. Garrett Agency

T. W. Garrett General Agency of Kansas City has established a service office at Tulsa, Okla. It is in charge of C. S. Dunn who had been manager of the St. Louis office. L. A. Ramsey, formerly manager at Des Moines, replaces Mr. Dunn at St. Louis and H. R. Hazlewood, who was formerly in charge at Cedar Rapids, Ia., is consolidating his office with that in Des Moines.

## Pearl Case Comes Up Sept. 17

BOSTON—Federal Judge Ford has ordered Commissioner Harrington of Massachusetts and attorneys for the Pearl Assurance to file final briefs with three judges, to be designated, here Sept. 17 in the case in which the commissioner suspended the license of the Pearl in Massachusetts because of the allegation that its United States manager is not a citizen of the United States.

## Changes in Philadelphia Unit

E. S. Page has been appointed manager of the fire insurance division of the Philadelphia metropolitan department of the North America. Heretofore he has been assistant manager. Bradford Smith, Jr., who has been manager, is transferred to the head office. Mr. Page will be assisted by Robert Dunn. Dodd Bryan has been appointed general manager of the combined fire, casualty, marine and automobile departments.

The National Surety Marine has been licensed in California with Alfred E. Fuller of San Francisco as general agent.

derwriting procedures of their companies. A skit will be presented by the Mutual Insurance Agency of Washington.

A navy officer will be the luncheon speaker and will talk on the preparedness program. J. M. Eaton, assistant general manager American Mutual Alliance, will conclude the speaking program.

Thursday night will be devoted to a banquet and entertainment. E. I. Oakes, treasurer Mutual Insurance Agency, Washington, D. C., is general convention chairman and F. E. Reuning, Bristol, Va., vice-chairman.



## Auto War Clause Up in Canada

TORONTO—The report of the standing committee on automobile insurance legislation and standard forms of the Association of Superintendents of the Provinces of Canada urges the adoption of war clauses in automobile policies. This report is one which was to have been presented to the 1940 annual conference in September, but the conference has been canceled.

A suggested clause for automobile insurance is given below in the form of a new statutory condition:

"Unless otherwise specifically stated in the policy or endorsed thereon, the insurer shall not be liable for loss or damage, whether direct or indirect, caused by: War, invasion (act of foreign enemy), hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, conspiracy, usurped power or military, naval or air force operations."

It is suggested that this new proposed condition shall not exclude coverage with respect to:

(a) Loss occasioned by persons resident or secretly in Canada and acting as agents of or in the interests of foreign enemies; or

(b) Loss occasioned by military aircraft or vehicles which at the time of the happening of such loss are not armed nor carrying explosives or ammunition.

### Uniformity Is Desired

This suggested war clause follows that included in the draft bill which was submitted to the Quebec legislature. The wording is also the same as that which is included in the supplemental contract issued in connection with fire policies.

"It appears desirable," the committee report states, "that whatever war clause is decided upon it should be uniformly adopted and used with respect to other forms of coverage. There is no reason why the suggested clause should not be substituted for the present war clause now in fire statutory condition No. 4. The extensions suggested in (a) and (b) are the extensions which are freely given in connection with the supplemental contract and it would appear reasonable to have the extensions apply in all cases without the necessity of endorsement."

Regarding the problem of control of finance companies, committee reports: "At the present time there is not any specific statutory provision prohibiting the formation of insurance companies or insurance agencies by automobile manufacturers, automobile dealers or finance companies. There is unquestionably some problem but the method of dealing with it is none too clear. Obviously before any steps can be taken it will be necessary to obtain further information. The standing committee is going to discuss the subject."

The report also reveals that the special committee on compulsory motor vehicle liability insurance has reported that this matter does not come within the jurisdiction of superintendents of insurance.

### Claims Outside of Canada

The committee has issued the following statement regarding claims outside of Canada, particularly in the United States:

"The question as to the liability of an insurer for payment of claims in the United States to include exchange on an American judgment or claim arising in the United States was discussed by the committee of underwriters. Competent legal opinion on this subject was required to clarify the situation. Under the provisions of the uniform act it would appear that an insurer in respect of a claim covered by the policy and arising outside Canada is required to pay in Canadian dollars the amount of such claim plus the amount of exchange required to purchase currency of the country where the claim arose, and at the rate prevailing at the time of payment.

If, however, the total amount of the claim plus exchange exceeds the limit of the policy in Canadian dollars, the insurer would not be liable to pay more than its policy limit in lawful money in Canada.

Ever since an Ontario court decision two years ago absolved an insurer from liability for theft when an automobile was stolen by a man engaged by the owner to wash it, there has been sentiment favoring amendment of the standard auto policy. A committee of underwriters appointed by the association of superintendents has recommended three revisions in the standard policy. The first is to amend the heading of the theft contract by making it read "theft or attempted theft." No definition is made of "attempted theft" but the recommendation is accompanied by an extract from the criminal code defining both terms. The implication is that this definition will be accepted for insurance purposes.

### Exclusion No. 2

The second suggested amendment is in the clause excluding liability when the car is stolen by any person in lawful possession of it under "a mortgage conditional sale, lease or other contract or agreement, whether written or oral." It is planned to change the words "or other contract . . ." to "or other similar written contract or agreement."

Third proposed revision is to change the wording of the clause which excludes liability for loss of the car due to "the voluntary parting with title or possession of the car, whether or not induced to do so by any fraudulent scheme, trick, device or false pretense," by substituting the word "ownership" for "possession."

These changes, it is believed, will not only be of advantage to the policyholder in defining his protection more clearly but will help the insurer also by discouraging illegitimate claims.

### Flash-Flood Causes River Loss

One of the largest river losses in many years occurred as the result of a flash-flood near Charleston, W. Va., which swept 35 or 40 barges and other boats downstream, strewing the wreckage along the river banks. The Ohio river towboat, Henry C. Yeiser, Jr., of Cincinnati, which was under repair and had no steam up, was totally destroyed with an estimated \$100,000 loss. The towboat was owned by the Ohio & Kanawha Transportation Co., a subsidiary of the Hatfield Campbell Creek Coal Co., Cincinnati, the insurance being written by W. P. Dolle & Co., Cincinnati, through George S. Kausler, Ltd., New Orleans. J. O. Kurlman, marine manager of the Dolle agency, said that extra lines and heavy wire rope were added to the boat's moorings, but the water tore the boat loose, snapping the cables and uprooting trees. Fifteen wooden barges and four steel barges loaded with coal and owned by the same company were also lost.

### Issue New Watchman's Handbook

A "Watchman's Handbook," a manual of instruction and useful information for watchmen, plant superintendents and others interested in fire and burglary protection, has recently been published by the American District Telegraph Company.

Among the subjects covered are: Preventing theft and burglary and fire; common causes of fire; what to do upon discovering a fire; how to summon the fire department; emergency and portable extinguishers; automatic sprinkler systems; automatic fire detecting and reporting systems.

Copies can be obtained from the American District Telegraph Company, 155 Sixth avenue, New York.

### NEWS BRIEFS

The Albany has been licensed in Nebraska.

The Calvert Fire, Carolina Fire, Emmco Fire and National Surety Marine have been admitted to Georgia.

## CAN YOU SUE A TREE?

That is the thought-provoking question asked by the Alliance national advertising this month, with an illustration of a home seriously damaged by a falling tree.

The message adds that the wind that blows a tree against one's home can't be sued, either . . . but points out that a homeowner can have his fire policy endorsed to cover damage from windstorm and seven other hazards. All of which leads naturally to the admonition:

*"Ask the Alliance Agent"*



## THE ALLIANCE INSURANCE CO. of PHILADELPHIA

Head Office:—1600 Arch St., Philadelphia  
New York Office:—99 John Street, New York City  
Chicago Office:—209 West Jackson Boulevard  
San Francisco Office:—222 Sansome Street

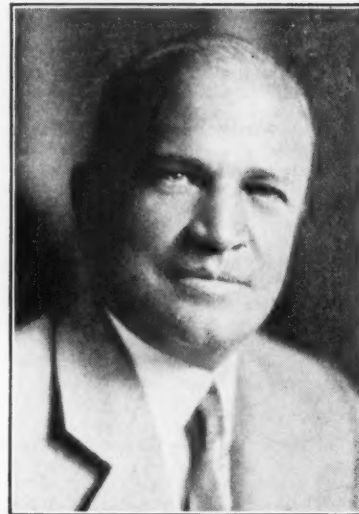
## BLUE GOOSE OFFICIALS AT PHILADELPHIA GRAND NEST RALLY



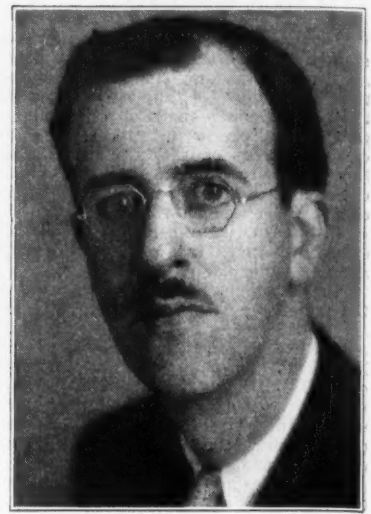
J. R. KNOWLAN, Philadelphia  
Most Loyal Grand Gander



H. A. REYNOLDS, San Francisco  
Grand Guardian of the Nest



LOUIS L. LAW, Minneapolis  
Grand Keeper of Golden Goose Egg



R. A. KENZEL, Milwaukee  
Grand Welder of Goose Quill

### Companies to Ponder Next Step

(CONTINUED FROM PAGE 1)

tributed under the court's decrees of February, 1936, or to restore the status quo as of the time the suits of the companies were pending; that is, before the O'Malley compromise, and after such restoration, to determine the disposition of the impounded funds on the merits of the suits.

"This court will not stultify itself by leaving those decrees in full effect as to these funds," the court wrote. It added that the court cannot restore the status quo, that it has no power to order a rescission of the superintendent's rate order. It can, it said, return the funds to the policyholders, and "should" to the extent of preventing the companies from realizing upon the wrongful acts.

#### Recalls Old 10% Case

The facts show that the companies challenged the 1922 rate reduction order of 10 percent by direct litigation which was carried up to the point where temporary injunctions were denied (without prejudice) to most of the companies, including all of the important companies, the court's opinion related. At that stage, the companies elected to dismiss all of the suits. Obviously this step was prompted mainly by the desire and intention of the majority of the companies to avoid compliance with the stipulation made with the superintendent to pay back the excess of 10 percent which they had collected during that litigation. If they had wished to test out the validity of the 10 percent reduction order they could have done so in those suits by complying with their own stipulation by paying back this collected 10 percent. . . The companies voluntarily dismissed the suits and made a "left handed attack upon the 10 percent rate reduction order through filing the 16 2/3 percent increase rates." This was early in 1930. At the time these later suits (in the federal court, 1930) were filed the 10 percent reduction order had been in unchallenged operation several months, the court's opinion continues. Because the superintendent rejected them the 16 2/3 percent increase rates "never became the legal rates. Thereafter, when the present 16 2/3 percent cases were brought, the only legal rates were those under the 10 percent reduction order."

The federal court granted the companies temporary relief because if the companies were finally successful they couldn't go back and collect the 16 2/3 percent increase. But "such action never approached the establishment of the 16 2/3 percent increase as a legal rate. Whether

such rate was legal or not was the issue in and the purpose for the suits. The court had no vestige of power to establish any rate; it could only protect the companies against a confiscatory rate." Granting of temporary relief "could not possibly have the effect of making the 16 2/3 percent collection the property of either the companies or the policyholders." Impounding them simply left the funds in control of the court till the issues of the case were settled.

"If the cases had been dismissed for any purpose other than a decision on the merits, the impoundments must have gone back to the policyholders because they were in excess over the only legally established rates and nothing could disturb that status except a decision that such legal rates were invalid."

#### Out of Court Settlement

In effect the O'Malley compromise settled the rate issue out of court.

So the court arrives at the conclusion that the funds must go to policyholders. Contention in the federal court litigation subsequent to the discovery of the Street-O'Malley-Pendergast-McCormack scandal were these:

The superintendent contended that corporations can act only through agents; they are bound by the agent's acts, and Street was the agent of the companies in the compromise settlement. He bribed Pendergast, O'Malley and McCormack, and the companies must be bound by his acts and suffer the consequences. If the companies didn't know bribery was to be involved in the settlement, they had such knowledge that they should have known.

The companies contended that the crux of the matter before the court is whether the separate companies had knowledge of the bribery transactions—"meaning actual knowledge of facts sufficient to put upon inquiry," in the language of the federal court's opinion. Absence of such knowledge is argued by the companies.

The issues, as the court sees them, were (1) whether actual or implied knowledge is necessary, and (2) if such knowledge is necessary, what was the situation of the several companies in that respect?

The court based its opinion on the facts educed by Special Master Barnett in the hearings conducted by the insurance department and presented by him in his master's report.

Fraud, the court held from these facts, is clearly proven and not disputed. "The

real issue is as to the responsibility of the several companies for this agreement and these decrees so obtained as results of the agreements."

#### Action of Subscribers Group

"The proof is clear that the Subscribers' Actuarial Committee was in complete charge of this litigation for all of the companies without restrictions on the authority of the committee as to what it did or how or by whom it acted." The evidence is clear that the committee authorized Street to make the settlement with knowledge that he was then in negotiation for a settlement.

"We are not concerned here with the rights of the parties themselves to this transaction . . . but with the responsibility of . . . the companies in connection with the application of the equitable maxim of unclean hands."

With respect to knowledge by the companies, the court held "there was implied knowledge as to every one of the companies. Each . . . made contributions to the bribe monies through responsible company executives under circumstances which would have put a reasonably prudent man on inquiry, and had such inquiry been diligently pursued, it is difficult to believe that any would have made such contributions, or, if they did, that such could have been without knowledge that the money was to be used in surreptitious ways to bring about the settlement agreement."

#### Circumstances of Payments

"The circumstances under which the 5 percent payments were made should have put any reasonably prudent man on inquiry as to the purposes for which the money was to be used. . . Each knew that the Subscribers' Actuarial Committee was in charge of the litigation, that the litigation had gone on for several years, that the legal and other expenses necessary to carry on the litigation as it progressed had been paid by regular assessments against it; that these assessments had been prorated on the basis of premium business; that they had been made and collected by the Missouri Inspection Bureau and by it alone; that legal counsel were employed and acting; that a full settlement of the litigation had been made; that the court had entered a decree disposing of the litigation; that such decree provided that 80 percent of the total impounded premiums were allowed to companies, of which 50 percent of the impoundings were to come immediately and directly to the companies, and that the remaining 30 percent of total impounded premiums were set aside to the trustees for the companies to pay all legal, court, and other expenses of the litigation not

already paid; that this 30 percent was a very large amount; that any balance of this 30 percent of such expenses was to be turned over pro rata by the trustees to the respective companies; that the 30 percent was more than sufficient for all expense purposes because 11 per cent of the total impoundings (over a third of the trust funds) was paid by the trustees from this fund in conjunction with the request for the five percent; that the 11 percent checks represented a balance from the trust fund not needed for expenses; that when any explanation was given as to the purpose for the 5 percent contribution it was for something which the trustees should pay from the trust fund; that the 5 percent was not to go to the trustees but to one of them in another capacity."

"These experienced company executives, with few exceptions, made contributions without further inquiry, though the testimony shows that they require information before they would pay out money for insurance losses or other company expenditures. The few exceptions were satisfied by promises of later accountings which were never made and which they never further requested."

Of the six companies of which Street was vice-president "it will not do to say that, because he was acting as their agent . . . his knowledge was not the knowledge of those companies."

#### Trust in Street No Excuse

Of the company executives who raised \$100,500 in New York, the court said, "Men exercising reasonable prudence do not pay out money in this manner without inquiry as to what it is for. . . It is no answer or excuse to say, as many did, that they trusted Street and that he resented interrogation."

Thus the court answers the companies' arguments. Those arguments, briefly, were these: Street was not in their general employ; neither Street nor the committee was authorized to bribe O'Malley; that the companies renounced any advantages from the 1936 decrees when they learned of the bribery; that neither party (companies and superintendent) should benefit; that the case should be restored to its status quo and determined on its merits; that the lawful ownership of the money must be determined before the court can order its distribution.

With respect to costs, the court pointed out that when impounding first were made some provision was necessary to pay custodian's costs. These were taken as needed from the interest earned on the impounded funds as invested by the custodian. A total of \$914,334 was so earned. Of this, \$577,436

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## FIELD

Winchester's Candidacy  
Being Warmly Championed

PHILADELPHIA—Philip M. Winchester, who will be a candidate for grand keeper of the golden goose egg at the Philadelphia grand nest conclave this week, is enthusiastically championed by the New York City pond, of which he is a past most loyal gander. He has been with the Fire Companies Adjustment Bureau since 1924, previous to which he served in turn in the loss departments of the Phoenix of London and the Union of Canton. His business career started immediately after he left school, with the Boston as a junior clerk. In 1926 he was appointed a junior adjuster at the Newark branch of the bureau, advanced to assistant manager in 1934, and was further promoted to his present responsible managerial post in January, 1939. Through his years of association with loss adjusting Mr. Winchester learned not alone the application of the insurance contract, but what is of equal value in claim handling, how to deal with human nature, which latter quality as well as his business reputation made him a popular figure in Blue Goose circles.

## E. Arnold Smith Joins Security

E. Arnold Smith, formerly with the America Fore group in Iowa, is now associated with State Agent H. Verne Myers of Security of New Haven, supervising Iowa. Mr. Smith has established an office in the Des Moines building, Des Moines.

## L. O. O'Neill in Buffalo Post

Ralph W. Lester, who has served as special agent for Great American in western New York, has been transferred to the New York office. He is succeeded in the field by L. O. O'Neill who heretofore has been in the suburban New York field. His headquarters will be in the Ellicott Square building, Buffalo.

## Tays Joins Scottish Union

J. Earl Tays has been appointed special agent of the Scottish Union & National for eastern Massachusetts and Rhode Island, associated with Special Agent H. W. Andrews, and working out of the Boston office. Mr. Tays was with the John C. Paige & Co. agency in Boston for 12 years and the past two years has been in charge of the production activities of a Rhode Island general agency.

## Dobbs Sent to Minnesota

Claude L. Dobbs has been appointed special agent of the Agricultural and Empire State in Minnesota, assisting State Agent Paul Zoelzer with headquarters in Minneapolis. Mr. Dobbs has been with the Agricultural at its home office since 1926, recently as examiner for the middle western states.

## W. P. Winkler with National

William P. Winkler has joined National Fire as special agent in eastern Iowa with headquarters in Des Moines. He graduated from Armour Institute of Technology in Chicago in 1931 and has been with the Iowa Insurance Service Bureau since that time.

John F. Driscoll, for many years special agent of the Atlas in Boston, has purchased the Ginsburg Insurance Agency on Batterymarch street, Boston. He has been especially active in the Blue Goose.

Regular Monday luncheon meetings of the Sunflower Blue Goose will be resumed in Wichita Sept. 9, at the Lassen Hotel with the newly elected big toad, M. E. Butler, farm special agent, North America, in charge.

International Map  
of Foreign Sales

WASHINGTON—The United States Department of Commerce has released statistics of its annual survey showing net premiums of foreign companies doing business in this country last year \$426,000,000, decrease .70 percent or \$3,000,000 from the preceding year. The survey shows that 74 percent of the foreign premiums went to British units, 16 percent to Canadian companies.

Fire and marine premiums went to \$225,000,000, increase \$3,000,000. Casualty premiums decreased to \$135,000,000 from \$141,000,000. Life premiums were unchanged to \$66,000,000.

Premium income of American companies from foreign sources are chiefly derived from Canadian operations. The total premiums received from foreigners totaled \$122,000,000, about the same as the year before. The assets of U. S. branches of foreign companies aggregated \$1,300,000,000.

The net equity of foreign insurance companies in their domestic branches and affiliates, considered as a measure of foreign investment in United States insurance enterprises was \$390,000,000.

(CONTINUED ON PAGE 19)

## NEW YORK

## LARGE FIRES IN JULY

The New York "Journal of Commerce" lists these fires that occurred in July that are estimated to have cost \$100,000 or more:

Worcester, Mass., market, \$100,000; Bayonne, N. J., eight barges and tugboats, \$250,000; Camden, N. J., auto, paint and grease factory and nearby plants, \$800,000; Panama City, Fla., eight oil storage tanks, \$200,000; Chicago, lumber yard and autos of 55 employees, \$200,000; Noblesville, Ind., Sears-Roebuck store, \$125,000; Bay City, Mich., woodcraft plant, \$100,000; Muskegon, Mich., foundry and machine plant, \$100,000; Bemidji, Minn., school, \$100,000; St. Louis, railroad station tower, \$125,000; Perrysburg, O., dwelling, \$110,000; Emeryville, Cal., packing plant, \$130,000; Fresno, Cal., baking plant, \$100,000; Oxnard, Cal., asphalt plant and oil refinery, \$200,000; San Bernardino, Cal., U. S. Reclamation warehouse, \$100,000; McCall, Ida., lumber yard, \$100,000; Albany, Ore., cannery and seed plant, \$250,000.

## UNPAID EARNED PREMIUMS

Unpaid earned premiums of fire companies in March were \$12,331, decrease of \$1,994 from March of the previous year, according to the Central Bureau in its report to the New York department.

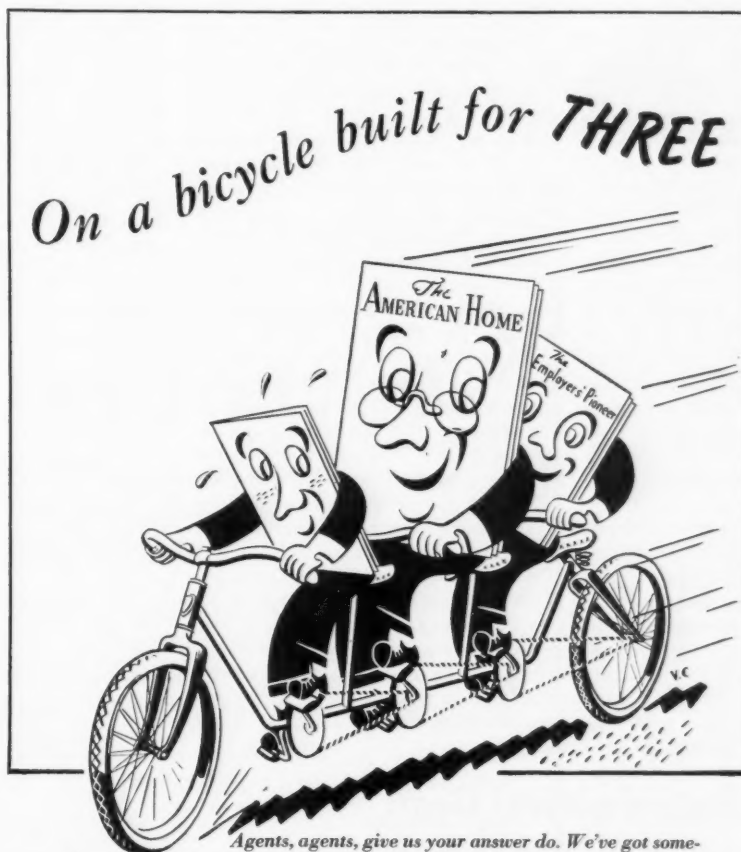
The unpaid earned premiums of casualty companies were \$80,250, an increase of \$15,107 as compared with March of 1939.

## Universal's First Six Months

The Universal of Jersey City, a Talbot, Bird & Co., New York City, affiliate, reports premiums for first six months \$1,600,000. It writes chiefly automobile and marine insurance. This is more than twice its record for the first half of 1939 and about 10 percent more than the volume for the entire year. The loss ratio for the first six months was 44.1 percent of earned premiums and the expense ratio 40.1 percent of written premiums. There was added more than \$400,000 to the premium reserve and hence the statutory underwriting profits showed \$26,659.

## General Enjoins Oklahoma Board

OKLAHOMA CITY—The Oklahoma insurance board has been enjoined by the Oklahoma supreme court from enforcing its recent order that prohibited the General of America from writing participating policies in the state pending the court's decision as to the validity of the order. The action was taken following the filing of an appeal by the General from the board's order.



Agents, agents, give us your answer do. We've got something, all for the help of you. — It's a triple-action sales-promotion plan, consisting of (1) national advertising, reaching 2,000,000 prospects a month, (2) direct mail material, coordinated to our national campaign, and (3) The Employers' Pioneer, a monthly magazine, loaded with sound, concrete facts that lead the way to new business.

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## EDITORIAL COMMENT

### Suggestion for Insurance Schools

SOME well qualified observers of the special insurance schools conducted under the auspices of state associations of insurance agents have much to say in their favor and regard the movement as a most constructive one. They believe that the attendance at schools giving these short intensive courses is indicative of the revived interest on the part of producing forces in securing more insurance knowledge and therefore becoming more serviceable to the public. The schools have all given a good account of themselves.

There is one criticism that might be well studied and that is the tendency to cover too much ground and too many subjects. The point is made that there

is too great an attempt to provide too much provender. These observers contend that much better results could be gained by reducing the courses to fewer subjects and give more comprehensive information on each.

Probably there should be a so-called five year plan worked out by the state associations in consultation with professional educators in order that the field can be more adequately and scientifically covered than it is now.

There is too much scattering of ammunition and not enough concentration on a few subjects. When a school closes the pupils should feel that the topics brought up have been thoroughly covered.

### Fewer Oral Committee Reports Desirable

ROUTINE committee reports slow down convention proceedings. Although complete committee reports are important, even if they only serve to put the chairman on the spot to show that he has done something, they often contain facts and figures which are hard to digest while one is sitting in a convention.

The Montana Association of Insurance Agents at its annual convention adopted a plan of having committee reports prepared in advance so they could be mimeographed and copies presented to the members at the gathering. This is an admirable plan and could be adopted to advantage by other groups. It enables members to take the reports home so they can study them over. Furthermore, it stimulates the chairman to present a better prepared report when he knows that it is going to be reproduced.

In case of especially pertinent subjects, the mimeographed reports can be supplemented by oral comment by the chairman. Because they have facts and figures down in black and white before them, members will be encouraged to take a more active part in open discussion.

In too many cases the first session of an annual gathering is devoted to tire-

some routine reports, which does not encourage attendance.

The popularity of the new developments in association educational work is proof that members want more time at their meetings devoted to talks by experts on different lines of coverage. Since it is desirable to limit the duration of annual gatherings, the most effective method to extend the time available for educational topics is to limit the committee report period.

State life underwriters associations have been following the procedure of devoting the first afternoon of state meetings to association business and the second day to a sales congress. This plan has proven to be popular, as those who are especially interested in administrative affairs can arrive earlier and participate, while at the same time the bulk of the members can attend the general sales session and carry home business producing ideas.

Too much attention can't be yet given to plans for association meetings. Members will make an effort to attend if they feel it is worth their while. A lively gathering this year encourages attendance for next year, which in turn makes the association a more vital factor in the business.

### Eliminating Petty Political Graft

WHILE we are on the subject of insurance investigations and reducing expenses, we might well take up the requirements of some states that a resume of annual statements of companies be published. This is purely a scheme for

political graft. It gives the party in power the chance of rewarding newspapers that have lent their support to the administration. There is very little benefit, if any, to be derived on the part of the insuring public or the companies.

The companies unanimously resent this gouge.

To show the inconsistency of a requirement of this kind and how a law is abused merely for political preferment let us cite a case in Indiana. In accordance with the statutes, the insurance commissioner is required to publish the synopsis of the financial statement of a company in two newspapers. The case referred involved a life company. One paper selected was in a town in Adams county and the other in Blackford county. In Adams county, the company has 25 policyholders with total insurance of \$30,000. In Blackford county it has

21 policyholders totalling also about \$30,000. The cost of the advertisements was \$40.

In several counties in Indiana the company has over \$1,000,000 in insurance. All of the policyholders of this company receive a four page leaflet dealing with the financial statement at greater length and are well acquainted with the report and comment that accompany it.

At times the commissioners complain of increasing expense ratios of insurance companies. Here is a good chance to do some good work at home. Why not repeal all such laws of this kind since the benefit to be derived is almost nil?

## PERSONAL SIDE OF THE BUSINESS

**A. C. Meeker**, who is connected with the Firemen's group at Boston, had a heart attack the latter part of May and since then has been confined to his home at 6 Woodlawn Oval, Wellesley Hills, Mass. He is now recuperating and expects to be back on the job in two months. Mr. Meeker was formerly with the Concordia, traveling in the field and working from the home office and then was transferred to the Firemen's head office at Newark. He spent 2½ years with the Firemen's at the Dallas office and since then has been in Boston for six years. His father was the late C. G. Meeker of Chicago, who the old-timers will remember was many years state agent of the Concordia.

**Warren Baker**, chief engineer for the North America at the head office, and Mrs. Baker are the parents of a month old son.

**Margaret Newnan**, 27-year-old daughter of **H. L. Newnan**, vice-president of the Detroit Insurance Agency and past president of the Detroit Association of Insurance Agents, has been appointed dean of women at Transylvania College, Lexington, Ky. She attended Vassar two years and later was graduated from the University of Michigan. She took her master's degree and Ph. D. from Radcliffe College.

The condition of **Commissioner Woodward** of Texas has improved to such an extent that he has gone to his home in Coleman for a period of convalescence. Stricken while in the east, Mr. Woodward was in an Austin hospital for a while and then was removed to his residence there.

**H. C. Taylor**, assistant secretary Home of New York, who has been spending his vacation at Virginia Beach, reports the catching of a fine string of drum fish, some of them tipping the scales at 10 pounds. Mr. Taylor was formerly state agent at Richmond and he renewed a number of old acquaintances while on his vacation in Virginia. He was accompanied by R. F. Rushin, one of his assistants, who was formerly special agent in Virginia.

**A. L. Richardson**, an officer of the Robert Lecky, Jr., agency in Richmond, Va., will observe his 48th year in insurance Sept. 1. He started as an office boy with the old Virginia State Fire. After working his way up to special agent supervising Georgia and South

Carolina with headquarters at Atlanta, he returned to Richmond, entering the local agency business in 1913. He has long been secretary of the Richmond Board and is a past secretary of the Virginia Association of Insurance Agents. The only Richmond local agent who outranks him in length of service in the business is Frank W. Laughton.

The National Fire of Hartford recently recognized the long record of **M. C. Harover** and his son, **G. T. Harover**, Henderson, Ia. The agency has represented the National Fire 48 years. It is one of the longest father-son records in that area.

**P. J. V. McKian**, Western Actuarial Bureau, Chicago, wielder of the Illinois Blue Goose, is in Philadelphia attending the grand nest meeting as a delegate of the Illinois pond. Before returning to Chicago in September he will visit relatives in Ottawa, Ont.

**Dan Gallagher** of the Western Actuarial Bureau, Chicago, made efficient use of his two weeks' vacation from which he returned Monday. He flew to Mexico City and after a few days returned to Chicago in the same fashion and then motored to northern Wisconsin for the balance of his vacation.

## DEATHS

**Fred R. Holibaugh**, president of Holibaugh-Wolfe, Mansfield, O., agency, died there after a brief illness.

**Mrs. Reuben Hoskins**, 55, wife of the southern Wisconsin state agent for the Milwaukee Mechanics, died at the family home in Dodgeville, Wis. She had been in ill health for some time.

**W. R. Nolan**, 77, who had operated an adjustment company under his own name in Kansas City for many years until he retired 10 years ago, died there.

**S. P. Cypreansen**, 68, special agent in Nebraska for the Home, National Liberty, City of New York and Franklin, died at Eau Claire, Wis., where he was vacationing. He had been in business in Lincoln for 25 years.

**William Stauffer**, 30 Monroe, Wis., agent, was found dead in the basement of his home over an open-jet gas plate.

**H. M. Gleason**, 73, director of the Central Manufacturers Mutual, Van Wert, O., for many years, and also a former director of the Ohio Underwriters Mutual of Van Wert, died there.



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## AS SEEN FROM CHICAGO

### CRAWFORD OFFICE DISTINCTIVE

Dozens of friends thronged the new quarters of R. N. Crawford & Co. at 120 South LaSalle Street, Chicago, throughout the day of the house warming. Floral bouquets from companies and other friends decorated every corner. The quarters are considerably larger than those that were occupied by Crawford & Co. in the Insurance Exchange Building; they have been decorated and laid out with distinction and with the aid of professional consultants.

There is a most interesting treatment of the private offices. Through pictures and ornamentation each office presents a distinct individuality. For instance, the office of R. N. Crawford is known as the old world room and contains etchings and other articles reminiscent of early days in England and other foreign lands. The office of Vice-president George Eggert is known as the old Chicago room and is decorated with scenes of that city in the old days. B. A. Massee, whose interest lies in the sea, has the marine room and therein is located an old Spanish treasure chest, several pictures of boats and various desk gadgets of a marine nature. R. N. Crawford, Jr., has the hunting room which is decorated with hunting pictures, and Porter Fox has the live stock room, which is decorated with pictures and paintings of blooded stock.

### MACGIBNEY AND SWANSON ADVANCE

Frank R. MacGibney, London Lloyds underwriter of Jones & Whitlock, Inc., of Illinois, has been advanced to secretary and Thor L. Swanson, field superintendent, to assistant secretary. Mr. MacGibney has been with the office about 3½ years and Mr. Swanson, five years. They are associated with Albert H. Grupe, vice-president, who directs the office.

### MORE CHICAGO PREMIUMS GIVEN

About 40 additional companies have filed their fire premium figures with the Chicago city comptroller's office for the 12 months ended June 30. These are shown below in comparison with the 1939 and 1938 totals:

	1940	1939	1938
Amer. Auto....	\$ 44,617	\$ 5,933	\$ 11,454
Amer. Central...	56,324	70,308	62,987
Brit. Gen. ....	6,538	8,966	.....
Buffalo .....	40,010	.....	.....
California .....	20,798	20,901	17,537
Comm. Un., Eng.	97,188	97,672	94,484
Commonwealth...	107,081	130,997	104,129
Connecticut ...	137,703	146,013	133,021
Continental ...	336,852	413,059	312,582
Eagle Fire....	23,566	15,154	10,739
East & West...	4,411	4,543	4,663
Equit. F. & M.	88,935	91,345	85,482
Fid. Phenix ...	185,693	177,139	211,252
First Amer. ...	38,161	39,277	40,389
First National...	37,440	31,443	17,593
General, Seattle	76,731	61,519	104,233
Homeland .....	9,427	13,078	18,297
State of Pa....	49,164	54,876	41,524
Maryland .....	33,485	27,786	53,088
Meiji Fire .....	7,870	8,715	7,937
Mercantile .....	64,229	67,347	55,135
Mpls. F. & M.	55,323	37,387	30,428
Netherlands ...	22,964	30,721	25,989
New Hampshire	38,554	44,311	95,431
Niagara .....	179,348	139,530	151,899
No. Br. & Merc.	136,730	165,498	154,908
Northern, N. Y.	65,118	91,652	99,991
Norwich Union...	72,832	69,822	80,843
Old Colony ...	24,196	19,601	20,362
Palatine .....	727	945	774
Patriotic .....	23,036	22,098	26,421
Pennsylvania...	149,859	147,872	129,439
Phoenix, Conn.	117,871	161,586	132,059
Security, Conn.	82,016	78,170	82,667
Standard, N. J.	36,787	42,496	47,934
Standard, N. Y.	269,640	248,468	268,815
Sun .....	86,015	75,138	91,707
Sun Und. ....	29,905	31,235	35,692
Tokio M. & F.	18,475	18,016	39,882
Twin City .....	25,158	22,513	26,484
Union Assur. ...	10,971	14,064	8,099

### SPECIAL TRAIN TO ELWOOD

The special insurance train which went to Elwood, Ind. last Saturday from Chicago carrying the insurance delegation to the Willkie notification ceremonies made quite an impression. There were 13 cars. The largest delegation came from the Washington National, Evanston, Ill., which sent 55 people. R. W. Tansill, former class I agent of the Chicago Board and now a broker, was the main promoter of the transpor-

tation plan. There were representatives from all classes of the business. A number of clerks in insurance offices were on the train. All were highly enthusiastic over the trip and their experience. Mr. Tansill is now proposing to organize an association primarily of insurance people to promote the Willkie cause and to have a permanent organization to perpetuate the principles for which Candidate Willkie stands.

### QUACKENBOSCH IN NEW POST

F. B. Quackenbosch has gone with Rollins, Burdick, Hunter Co., Chicago, as manager of the engineering department. He was, until very recently, chief engineer Western Factory, having been there for the past ten years. Prior to this connection he was for over 20 years with the Tennessee Inspection Bureau.

### Yankee Clipper Has Narrow Escape

NEW YORK—Fire companies participating in the coverage on Pan-American Airways narrowly escaped having to pay a loss on the "Yankee Clipper," one of the big Boeing transatlantic flying boats, when R. E. Ditty, a maintenance mechanic at LaGuardia field, New York, thought and acted quickly when he saw a jet of blue flame spouting from a vent in the giant airplane's gasoline tanks. He slapped out the flame with his bare hands, thereby saving the ship from possible destruction and also averting the destruction of the British flying boat "Clare" which was less than four yards away from the "Yankee Clipper" in the marine terminal.

Pan-American Airways insurance is shared by United States Aviation Underwriters and Associated Aviation Underwriters. The exact amount of insur-

### Features of the Meeting of the Michigan Agents

At the annual meeting of the Michigan Association of Insurance Agents at the Book-Cadillac Hotel, Detroit, Sept. 5-6, invocation will be given by Rev. H. A. Maine of St. Aloysius Church of Detroit. Guests of honor at the banquet will be Charles Gehringer and Barney McCoskey of the Detroit Tigers and A. C. Renner, chief fire marshal division of the Michigan state police.

A special breakfast conference will be held on Sept. 6 for those who have been taking the association's correspondence course. W. O. Hildebrand, secretary and manager, and H. T. Stock of Detroit, who have been conducting the course through the extension division of the University of Michigan will be in charge. P. B. DeFoe, Doyle Agency, Highland Park, and Lillian Skedgell, Shorer Agency, Kalamazoo, will be awarded prizes for highest grades. L. A. Dudley, Battle Creek agent and a past president of the Michigan association, actually received the highest individual grade, but was excluded from participation in the prize awards as the competition excluded all past and present association officers.

Proposed changes in the constitution will be taken up at the executive committee meeting the evening of Sept. 4 according to Mr. Hildebrand. It is proposed that each district now represented by a member on the executive committee will nominate its own representative prior to the annual meeting. It is proposed that the terms of the committee-men be staggered on one, two and three-year periods. Plans for an educational program to be inaugurated at Ann Arbor will be reviewed.

Insurance coverage has never been officially disclosed but the Boeing clippers are valued in the neighborhood of \$750,000 each.

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# The NATIONAL UNDERWRITER

August 22, 1940

## CASUALTY AND SURETY SECTION

Page Eleven

### See Hope of N. H. Law Staving Off Compulsory Cover

#### A. B. White Traces Record of Statute That Is Now Being Advocated Widely

DULUTH, MINN.—A. B. White of Keene, N. H., secretary of the Mason Insurance Agency, spoke before the Minnesota Association of Insurance Agents this week on "Financial Responsibility and Assigned Risks—Twin Answers to the Demand for Compulsory Automobile Insurance." In view of the fact that the New York department has recommended a form of automobile compulsory insurance and the sentiment expressed by President Sidney Smith of the National Association of Insurance Agents to the effect that some solution to the problem must be made or the states will take a hand, there is increasing interest in what can be recommended.

Mr. White has made a study of the question. His state in 1927 passed a financial responsibility law remaining with some changes, until 1937. During the 10 years almost every session of the legislature saw demands for compulsory insurance. In 1935 a bill was presented by the insurance commissioner, the late John Sullivan, which alarmed agents and companies. This bill provided for an extra fee for either driving license or registration, money to be used to create a fund from which would be paid damages, either personal injury or property, up to standard limits.

#### Bill Unconstitutional

The supreme court declared the bill unconstitutional before passage. Commissioner Sullivan declared that he would attempt to revise and qualify the plan before the next session in 1937. The New Hampshire Association of Insurance Agents executive committee began a study and requested the governor to consider the appointment of a comprehensive interim committee to consider the broad question of automobile legislation. This request was favorably received.

The New Hampshire law requires that all accidents involving personal injury and property damage in excess of \$25 be reported at once to the commissioner of motor vehicles. It also requires the filing of financial responsibility in the future of a person convicted of named driving infractions where no accident results. One provision of the law requires that operators and owners must furnish sufficient security to satisfy judgment for the present accident. Mr. White said that no financial responsibility law heretofore has covered the first accident.

He said that proponents of compulsory insurance will argue that the law will

(CONTINUED ON PAGE 18)

### Counsel Meeting Program Given

Annual Gathering Will Be Held at White Sulphur Springs, Sept. 4-6

The program is announced for the annual meeting of the International Association of Insurance Counsel at the Greenbrier, White Sulphur Springs, W. Va., Sept. 4-6. G. P. Hayes of Milwaukee is president. The entertainment is in charge of W. O. Reeder of St. Louis.

At the opening session Governor Holt of West Virginia will give the address of welcome, with response by P. J. McGough, Minneapolis. G. P. Hayes, Milwaukee, will give the presidential address and H. S. Don Carlos, manager claim department Travelers, will speak on "Insurance Litigation from a Claim Man's Point of View."

Reports will be given by the executive committee; R. B. Montgomery, New Orleans, secretary; H. E. White, Norfolk, Va., treasurer; general legislative committee, H. D. Brown, chairman, and home office counsel committee, J. M. Sweitzer, chairman.

Program for the second day includes addresses by C. M. Horn, Cleveland, on "Disclaimer, Letters of Reservation of Rights and Non-waiver Agreements under Liability Insurance Policies," and J. M. Sweitzer, general counsel Employers Mutual Liability, Wausau, Wis., on "The Trend of the Times in Revision of Policy Forms and Broadening of Coverages," with reports of the committee on unauthorized practice of law, O. J. Brown, chairman; compulsory automobile insurance and financial responsibility legislation, F. S. Smith, chairman; casualty insurance, F. B. Baylor, chairman, and fire and marine insurance, C. W. Sellers, chairman.

At the concluding session, W. S. Knudsen, president General Motors Corporation, Detroit, will speak on "Automobiles," and reports will be given by these committees: Fidelity and surety law, C. F. Merrell, chairman; accident and health insurance, Paul J. McGough, chairman; life insurance, C. M. Vrooman, chairman; workmen's compensation, K. P. Grubb, chairman, concluding with the election and introduction of new officers.

Meetings will be held the mornings of the three days, the afternoons being spent in the golf tournament. The banquet will be held the second evening. There will be a number of special festivities in which the ladies will be included.

### Ill. Bankers Rally Features A. & H.

At the annual agency convention of the Illinois Bankers Life in Chicago, one session was devoted to a symposium of talks and discussions on accident and health insurance, conducted by O. F. Davis, assistant director of agencies and manager of the accident and health department.

W. H. Wilson, manager of the Akron, O., district office, discussed motivation which he said is far more suc-

### Advises Greatest Possible Stability

President Cornelius Opens Annual Continental Casualty Claim Men's Meeting

Insurance people should make every possible contribution, individually and collectively, toward the creation of a situation in their business which provides the greatest possible stability and strength, because the security of the institution is their own individual security, said M. P. Cornelius, president Continental Casualty, when opening the annual claim meeting of the Continental companies at the Stevens Hotel in Chicago. They should also try very hard and conscientiously, he continued, to play some part, no matter how minor, in bringing about a change in the methods employed in the great business of government.

Comfort can be taken from the realization that insurance is an absolutely fundamental and basic business without which commerce and industry, and even society itself, could not exist for even a day. There will continue to be a casualty business and it will be conducted in the future by the most highly efficient organization. It is an institution that has been built very strongly on the solid rock of sound principles. It is unusually and uniquely prepared for whatever tasks lie ahead, not only in a material way, from the standpoint of assets and reserves, etc., but even more in a spiritual way.

#### Growth of Business Outlined

Mr. Cornelius was touching briefly upon the growth of his company, as well as the insurance business itself, since he first talked at these meetings 16 years ago. He said that the past could be viewed with satisfaction and the future with concern. "Perhaps this disposition to view the future with concern, insofar as it has involved an intelligent anticipation of future difficulties and acting in advance to meet and combat those difficulties, may be one of the principal reasons why I have been able to view the past with satisfaction," he said.

This is an institution, he continued, that has adhered closely to the fundamental principles of thrift and economy and what he termed as "progressive conservatism." Perhaps these principles are old fashioned and "horse and buggy," but they have worked very well thus far. The only way to make any real progress is by hard work, intelligently applied. The doctrine of the survival of the fittest is still working.

The course of every human accomplishment goes back to man power. In connection with this man power problem a very simple theory has been pursued, namely, that the way to get an

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cessful when based on emotions than merely on a desire to make money. He pointed out the German people have been motivated in seven years by one man to rise from economic and military unimportance to commanding position

(CONTINUED ON LAST PAGE)

### Important Changes Made in Numerous Liability Coverages

#### National Bureau Announces Revision in Rates and in the Manuals

NEW YORK.—Business and industrial establishments will pay substantially lower premiums for a number of their liability insurance coverages under extensive manual revisions announced by the National Bureau of Casualty & Surety Underwriters. All of the revisions are effective immediately.

In addition to bringing the rates for certain coverages into line with the latest experience, complete changes have been made in the format of the former manual of liability insurance and editorial explanations have been inserted to clarify the scope of coverage under classifications where confusion has existed in the past.

#### Now Four Manuals

Instead of a single manual containing rules, classifications and rates for all miscellaneous liability coverages, heretofore designated as the manual of liability insurance, there are now four manuals, each completely self-contained for the respective categories they cover.

This program was started on a limited scale last year, when owners, landlords and tenants bodily injury liability and property damage liability insurance, and employers liability insurance for help employed in private residences were separated from the general manual of liability insurance and placed in a completely self-contained owners, landlords and tenants liability manual.

There have now been printed two additional self-contained manuals for coverages formerly incorporated in the single liability manual. They have been designated the elevator liability manual and the product liability manual. The former contains the rules, classifications and rates governing the underwriting of elevator bodily injury liability, property damage liability, and collision insurance. The latter covers product bodily injury liability and property damage liability insurance.

Remaining in the manual of liability insurance are the rules, classifications and rates for contractual, manufacturers and contractors, owners or contractors protective and teams public liability, and property damage liability insurance. By thus dividing the former bulky manual into four related groups, reference is facilitated and confusion eliminated.

#### Elevator Liability Manual

The new elevator liability manual contains a complete revision of property damage, bodily injury and collision rates. As regards bodily injury coverage, the number of rating territories has

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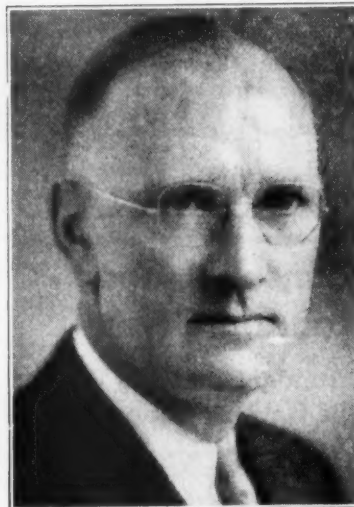
## PROMINENT LEADERS AT MINNESOTA AGENTS MEETING



HARRY A. LEVANT, Eveleth  
President



CLARENCE O. BROWN, Rochester  
Chairman Agency Qualification



EDWARD C. HUHNKE, Duluth  
Presiding Over Banquet



WARD F. SENN, Minneapolis  
Nominating Committee Chairman

### H. A. Miller Gives Analysis of Ill. Assigned Risk Plan

It will probably be Oct. 1 before the new Illinois automobile assigned risk plan becomes operative instead of Sept. 1 as was originally expected. This statement was made by H. A. Miller, deputy of the Illinois department, in a talk at the monthly meeting of the Casualty Underwriters Association of Chicago.

Mr. Miller outlined the operating features of the new plan and answered numerous questions regarding it. He explained that the plan will be administered entirely by the companies and not the insurance department. He said that due consideration will be given to limitations in operations of companies and that, for example, a company not writing in Cook county will not be required to carry Cook county risks. Companies can file with the committee that will operate the plan limitations in their underwriting possibilities, due to reinsurance arrangements, etc.

Mr. Miller commented on the fact that the act as drawn up provides that one having a major mental or physical disability is not eligible for coverage, but he asked who would decide what constituted a major mental or physical disability. He gave it as his opinion that anyone passing the driver's license law tests and receiving a driver's license should be eligible. He remarked that there is a provision that companies may ask the insurance department for approval of higher rates than customarily charged, but said he did not know whether the department would grant such approval. He commented on the fact that some companies, after the Illinois truck act was passed recently, opened up and began writing truck business that they had not taken before, and that such companies might now tighten up on business of this character and put it all into the assigned risk plan.

The governing committee of the assigned risk plan held its first meeting in Chicago last week. The committee consists of Zurich, Lumbermen's Mutual Casualty, State Farm Mutual Automobile, American Automobile and Chicago Motor Club. Committee members were in session throughout the day and they were joined at lunch by a representative of the Illinois department. Another meeting will be held in about two weeks. It is anticipated that all of the companies writing automobile insurance in Illinois will have assented to the plan by Sept. 1. The governing committee at its meeting reviewed various letters that had been received from companies regarding the plan. The com-

mittee will arrange for office space in Chicago and for the employment of a secretary to handle the routine administration of the plan.

American Mutual Alliance announces that all of its members subscribe to the Illinois Plan.

### Phila. 'Phone Book Correction

In the recently published insurance telephone directory of Philadelphia, the telephone number of the Philadelphia branch office of Bankers Indemnity, of which Edgar Campbell is resident vice-president, is incorrectly shown. The

correct telephone number is Walnut 2600.

### Peter Franzen to Columbus

Peter Franzen has been appointed special agent for Metropolitan Casualty and Commercial Casualty at Columbus, O., succeeding Russell May, who was appointed manager of the Pittsburgh office. Mr. Franzen is transferred from Philadelphia. His brother is F. W. Franzen, vice-president of Commercial and Metropolitan.

Set a new accident and health sales record on **Hoodoo Day**, Friday, Sept. 13.

### Bituminous Casualty Enlarges Minneapolis Setup

Bituminous Casualty is enlarging its Minneapolis office to provide complete underwriting, audit, collection, engineering and claim service in Minnesota, northern Iowa and northwestern Wisconsin. Policywriting and collections had been handled from the home office. Transferred from the home office to Minneapolis will be Austin W. Mann, underwriter; Al V. Bovee, audits and collections, and the Misses June Peterson and Betty Williams.

R. T. Ohlweiler will remain as manager. Others working from the office in the Metropolitan Bank building are Claude D. Casey, special agent; Raymond A. Kayser, field auditor and Al Little, safety engineer. Sanford A. Larson has been added as claim adjuster.

## WILL USE STINSON AIRPLANE



NEW YORK—Associated Aviation Underwriters has purchased the latest model Stinson 105 aircraft for use in field production. W. W. Walter, in charge of field production for the group and an experienced pilot, has left Roosevelt Field, New York, in the new ship on an extended inaugural flight to visit field representatives, agents and customers of member companies. The new Stinson will be used continuously in the production of business, the underwriters having estimated that it will travel in the neighborhood of 50,000 miles each year.

A three-seater, the plane is equipped with an 80-horsepower Continental engine, and a two-way Learadio and directional loop. The insignia of Associated Aviation Underwriters is carried on each side of the fuselage and the names of its member companies appear on the doors.

Associated Aviation Underwriters is the aviation department of 19 member and 17 affiliated companies and was formed 17 years ago for the exclusive purpose of underwriting all forms of aviation risks. The home office is at 90 John street, New York.

### Reach Agreement on Fund Shortage in Kansas City

KANSAS CITY—The city has obtained an agreement from the First National Bank, here, and the U. S. F. & G. and Massachusetts Bonding, to pay \$200,000 allegedly spent improperly by H. F. McElroy, late city manager. The payment will be made after the city council approves the agreement, which it has taken steps to do.

The two surety companies were on the \$150,000 bond of the finance director during the period when McElroy tapped city funds for his "city manager's emergency fund." The city's contention was that the law presumes that the bank knew, or should have known, that the account was public money, and knew or should have known that the city manager had no legal right to draw money from a city fund. The auditing firm on whose report the agreement was based made it clear that it was not reporting the \$314,595 involved was spent improperly.

### R. A. Cavanaugh Is President

The International Federation of Commercial Travelers Insurance Organizations, at its annual meeting in Jasper National Park in western Canada elected R. A. Cavanaugh, Illinois Commercial Men's, Chicago, president; Currie C. Chase, Iowa State Traveling Men's, Des Moines, vice-president, and J. W. Whittemore, Boston, secretary. The reports for the past year showed a large increase in accident and health writings. It was voted to hold the next annual meeting in the east, at some point to be decided later.



## Non-College CAA Pilot Courses Give Agents New Field

### Student Groups Can Now Be Sponsored by Local Civic Organizations

NEW YORK—The federal civilian pilot training program has become an even richer field for insurance as a result of its branching out so as to include others besides college students. For example, there is now a "refresher" course for those who have already taken the regular course. Perhaps most important is a preliminary non-college course designed to be sponsored by local civic organizations—chambers of commerce, Rotary or Kiwanis clubs, or similar organizations. Where such a course has not been started there is an opportunity for insurance agents to help promote one.

Even the limited experience to date has proven that the aviation insurance underwriters handling the insurance—Aero, Associated, and United States Aviation Underwriters—were correct in pointing out that the business written in connection with students would open the way for further aviation insurance business. Quite a few students who have graduated from the Civil Aeronautics Authority's course have bought planes for their own use. Some have been able to buy planes for their individual use but frequently three or four young fellows get together, put in a few hundred dollars apiece, and acquire a plane. All this means insurance to be written, for the insurance bought by the government covers the students only while they are in training.

### Should Be Ripe Prospects

The fact that they have been insured while in training makes them insurance conscious and ripe prospects for personal accident coverage, liability and fire insurance on the plane and possibly other coverages. The market for personal accident insurance has been improved by the refusal of many life companies to accept young single men for life insurance without an aviation exclusion rider provided there is the slightest suspicion of interest in piloting a plane.

Another angle is that many commercial operators supplying the flight instruction for the CAA courses have become insurance-minded to the extent of buying coverage on all their planes, not merely on those used in training CAA students, which they are forced to insure. For example, an operator having 10 planes and using six of them for CAA instruction begins to wonder whether it is sensible to leave the four remaining planes uninsured against public liability. He is saving the premium on four planes instead of 10 yet he is still in danger of getting hit with a damage verdict that would put him out of business.

### Big Gains Shown for July

Business activity rose sharply during July according to the index of industrial activity maintained by Lumbermens Mutual Casualty. The index moved forward 6.5 percent for the Atlantic Seaboard, 7.3 percent for the middle-west and 2.8 percent for the coast. Industrial activity in the middle-west was very near the peak figure established last February but recovery on the Atlantic and Pacific coasts lagged somewhat.

Business activity during July, 1940, was 19.5 percent ahead of July, 1939.

## Yetka Approves Medical Riders

### Numerous Restrictions Imposed, However, on Use of Endorsement in Minn.

ST. PAUL—Medical expense endorsements on public liability policies are approved under certain restrictions in an order issued by Commissioner Yetka. He says that while he finds no specific law in the state relating to such coverage, he is of the opinion "that such medical payments endorsements, if written under certain conditions and in certain form, would not be in violation of the constitution and laws of the state of Minnesota and not contrary to public policy."

Commissioner Yetka says he will entertain individual applications separately from each company licensed to write automobile public liability insurance for the writing of medical payments endorsements, under the following terms and conditions:

### Conditions Yetka Imposes

That such endorsement be uniform and in such form as prescribed by the commissioner.

That such form shall cover any person who sustains bodily injury, caused by accident and arising out of the use of a "pleasure and business" automobile used by or with the permission of the named insured, excluding any person carried for charge; any person to or for whom benefits are payable under any workmen's compensation law and any person in or upon any other automobile.

Limits of liability set at units of \$250 and \$500 and in no case exceeding \$500.

Endorsement may be attached only to automobile public liability policies.

Each company making application must file a copy of the form approved by the commissioner. Endorsement may be attached to existing policies on pro rata basis.

### Must Segregate Experience

Experience arising out of such endorsement must be segregated and made available to the commissioner and must be kept in such form that the automobile public liability experience for which the department may call is not in any way distorted.

All applications will be considered as of Sept. 3, 1940, but may be submitted before or after that date. Commissioner Yetka has prepared and had printed a form which each company must use in Minnesota. These will be furnished upon application.

## Yetka Raises Issue of Life-Casualty Combination

ST. PAUL—Commissioner Yetka of Minnesota, it is reported, is making an issue of the right of life companies to write casualty insurance under the Minnesota law. That would mean, apparently, that he is questioning the method of operations of Travelers, which issues policies of life, accident and health, workmen's compensation and automobile public liability. He refers to the two types of business as "incompatible lines." It is likely that Mr. Yetka will seek an opinion from the attorney-general before he takes any further action.

### Committees Discontinued

Commissioner Blackall of Connecticut who is president of the National Association of Insurance Commissioners, in making his committee appointments discontinued the sub-committee on examinations which was originally created to study allocation of premiums on bankers and mercantile bonds. He states that if this situation is not entirely cleared, the

## In Minnesota



A. B. WHITE

A. B. White, secretary of the Mason Insurance Agency at Keene, N. H., who appeared before the annual meeting of the Minnesota Association of Insurance Agents this week, has been very active in the New Hampshire Association of Insurance Agents. He is a special student of the financial responsibility law in New Hampshire, it being considered one of the best in the country. In connection with its operations Mr. White is one of those who conceived the assigned automobile risk plan which operates similar to the Minnesota compensation risk plan and that in other states. He believes that a model financial responsibility law will do much to solve the problem of the uninsured automobile.

Mr. White is a graduate of the University of New Hampshire, 1919. He has been secretary of the Mason Insurance Agency since 1924. He is a past president and national councillor of the New Hampshire Association of Insurance Agents serving in the former position in 1935 and in the later in 1938-39. He was the chairman of the National Association of Insurance Agents, fire prevention committee in 1938. He has served as a member of the board of education of his city.

examinations committee as a whole can handle it. He has also discontinued the sub-committee of the casualty and surety committee which studied the Waters resolution as he felt that its functions can be carried on by the full committee. He has also discontinued the sub-committee on fire and marine as he also felt the full committee can absorb this work. He has reduced from five to three the subcommittee to define and interpret underwriting powers. This, he says, is an important committee and thus the sub-committee must be continued. He has discontinued the committee on misallocated premiums and the committee on the standard fire policy as, he adds, it would seem that the fire and marine committee could handle that subject.

He has discontinued the special committee on interstate liquidation and reorganization as he is of the opinion that its functions can be handled by the committee on laws and legislation. He has also discontinued the committee on uniform codes as it seems to him that the laws and legislation committee can also handle its functions.

### Welhoelter Assistant Manager

M. J. Welhoelter, superintendent of the casualty department of the U. S. F. & G. in Kansas City for three years, has been appointed assistant manager under W. F. Moffatt, branch manager. Mr. Welhoelter has for several years with the company in St. Louis.

## Restrain Palmer from Enforcing Auto Ruling

### Ill. Director Hit by Writ in One of Two Court Actions

None of the provisions of the recent controversial ruling of Insurance Director Palmer of Illinois on automobile insurance practices will be immediately enforced, due to the fact that Circuit Judge Epstein in Chicago Tuesday issued a temporary restraining order in the action brought by Continental Casualty and others. This ruling, known as AR-41, contained a dozen or more provisions, although attention has been focused mainly on the prohibition of equity rating or individual risk rating plan for automobile fleets. The Continental Casualty petition for review is one of two such actions that are pending. American Automobile brought another in superior court in Chicago.

No date has been set for a hearing in the Continental Casualty case. Mr. Palmer has until Aug. 27 to file an answer.

Although Continental Casualty cited only two or three provisions of the ruling, the injunction has the effect of restraining enforcement of the entire order.

A meeting had been scheduled by the insurance department with the National Bureau of Casualty & Surety Underwriters and others in Chicago last Thursday. A. E. Spottke of the National Bureau and F. A. Fleming of the American Mutual Alliance, both from New York, arrived on the scene but were told by department officials that there would be no meeting because of the two suits that had been filed the previous afternoon.

Federal Storage & Moving Co. and Clark E. Nolan of Chicago, president of the Insurance Brokers Association of Illinois, brought the petition jointly with Continental Casualty through the law firm of Ashcraft & Ashcraft, Chicago. The other action was brought by the American Automobile and American Automobile Fire by Eckert & Peterson, Chicago.

The Continental Casualty petition asserts that Federal Storage & Moving Co. has a fleet policy with Continental Casualty which is rated under the equity or individual risk plan, which Continental Casualty has had on file with the department. The petition goes on to say that it is of great advantage to Mr. Nolan in selling fleet policies to have available equity rating.

Bulletin AR-41 insofar as it disapproves the use of equity rating deprives the petitioners of their property without due process of law, the bill asserts. The order, according to the petition, is an illegal attempt to provide a uniform rate for fleet policies to be charged by all insurers contrary to well established public policy in favor of free and open competition.

### Comprehensive Liability

The Continental Casualty petition objects to the ruling of the department against including any other kind of public liability insurance in policies designed to insure automobile P.L. and P.D. That, the petition asserts, is unreasonable, arbitrary and unjust. It is not supported by any evidence, it is contrary to public policy, etc.

On the same grounds, Continental Casualty objects to the prohibition of retrospective rating plans in connection with automobile fleets.

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## ACCIDENT AND HEALTH

### Fred E. Dwinell Joins National Accident & Health

Fred E. Dwinell has been appointed field supervisor of the National Accident & Health of Philadelphia for New England territory. He has been in insurance sales work nearly 25 years, starting with the Prudential in Boston in its ordinary department, where he brokered some accident and health insurance



FRED E. DWINELL

along with other lines. He joined the Phoenix Mutual Life in 1919 as supervisor for New York state and New England and in 1922 became general agent of the Continental Casualty in Albany, N. Y.

He went with the Massachusetts Accident in 1928 and left it the following year while general agent in Newark to become traveling supervisor for the Bankers Indemnity. When it discontinued writing accident and health insurance in 1930, he returned to Massachusetts Accident as field supervisor, later becoming home office sales manager and assistant to the manager of the monthly premium department. He was serving as western field supervisor with headquarters in Chicago when the Massachusetts Accident was taken over by the Union Mutual Life earlier this year and then went to Boston to become manager of the accident and health department office there.

### Ferguson Presents Diploma

E. H. Ferguson, Great Northern Life, Chicago, president of the National Accident & Health Association, was in Indianapolis last week to present to C. H. Karsch of the John McGurk agency of the Mutual Benefit Health & Accident his diploma as the first agent to complete the accident and health insurance sales course of the Taylor Publishing Co.

Other speakers were Commissioner Viehmann of Indiana, A. C. Palmer, R. & R. Service; C. N. Green, vice-president Hoosier Casualty and president of the Indianapolis Accident & Health Association; J. R. Townsend, Jr., professor of insurance at Butler University; Manager McGurk and Dr. J. L. Rosenstein, psychology director of the McGurk agency.

### New Mexico Hearing Sept. 6

Commissioner Apodaca of New Mexico has set Sept. 6 as the date for a hearing in Santa Fe on his recent order barring the use of standard provision No. 1, which provides for prorating of indemnity in case of change of occupation, in accident and health policies in that state. This date was set, at the request of the companies, so that company men who plan to attend the meeting of the International Claim Association of Colorado Springs, Sept. 9-11, can make it on the same trip.

The order was originally made effective July 25, but later a 60-day extension was granted.

### Customers' Group Policy Is Outlawed in Texas

AUSTIN, TEX.—The attorney-general has ruled invalid an advertising plan in which certain gasoline filling stations would issue free to customers a form of group policy for accident and death insurance. Question of the validity of the transaction was raised by the insurance department.

It was proposed that certain firms provide their customers with insurance, usually accident insurance, without cost to such customers upon the purchase of retail commodities. The cost of the insurance was to be paid to an insurer by the firm selling the commodity.

Representatives of the firm were to have been licensed as agents of the insurer.

United Travelers of Houston got up a combined customer's receipt and insurance policy, which stated that the company agreed to insure the customers of Easton's Gulf Service of Skidmore, Tex., by a group policy.

The attorney-general said that a policy providing for payment in case of accidental death is to be deemed a policy of life insurance, and the scheme proposed does not conform to the group life insurance statutes.

### Only Two "Non-Cam" Protestors

BOSTON—Of the 24 non-cancellable accident and health policyholders of the Massachusetts Accident who had dissented to the reinsurance plan of the Union Mutual Life approved by the court, but two appeared before Commissioner Harrington to file formal protest and present their case. The two policyholders were heard and provision will be made by the commissioner for disposing of their claims outside the reinsurance plan.

### Employers Liability Family Medical

Employers Liability has on the market a new "family medical" coverage which can be written to cover every member of the family. Rates per person, male or female, ages 6 to 60, start at \$5 annually for \$500 and up to \$10 for \$1,000. The minimum premium of \$5 entitles the policyholder to \$5 daily benefit, \$25 miscellaneous expense limit, and \$5 to \$100 for operation benefit.

### Columbian National's Leaders

The Howard A. Sheerer agency of the Columbian National Life in Boston led all agencies of the company in July in production of both paid life insurance and new issued accident and health business. The Thayer Quinby agency, also of Boston, was second in production of life insurance and the George L. Dyer Co., St. Louis, was second in accident and health production.

### Hold Milwaukee Outing Aug. 29

MILWAUKEE—Leo Packard, secretary of the Milwaukee Accident & Health Underwriters Association, has announced plans for the annual summer jamboree to be held at Tuckaway Golf Club, south of the city, Aug. 29. Golf and a large variety of entertainment for non-golfers are on the afternoon program, to be climaxed by a dinner and entertainment in the evening.

### Plan Lincoln Regional Meeting

A regional meeting of the Health & Accident Underwriters Conference has been tentatively arranged for Nov. 8 at Lincoln, Neb., which is expected to attract a large attendance of officials of companies domiciled in that section.

### September Ramey Month

The Washington National will observe September as Ramey month in honor of James F. Ramey, executive

vice-president and secretary. He has been with the company 17 years and the goal set is at least 17 accident and health applications from each agent during the month. It is hoped to set a new record for production of accident and health business for the month.

## COMPENSATION

### See Liberalization in Legal Decisions

The report of the committee of the International Association of Insurance Counsel on workmen's compensation states that the present trends in decisions are the continued liberalization or disregard of rules of evidence at common law, the tendency to extend the benefits of compensation acts through strained factual findings and legal interpretations and the continued approval by appellate courts of liability in more than one state under the extra-territorial features of the various laws.

The report said that if one were to pick the outstanding abuse in these laws about which there should be a reasonable hope of remedy, it is the unjust payment of double compensation in these situations. It is probably too much to hope, the report continues, that the legislative bodies of the various jurisdictions could ever be convinced as to the advisability of adopting a uniform workmen's compensation law. It should not be too much to hope and expect that a proper movement might bring about uniform provisions as to extra-territorial effects so that double compensation would not be paid in these cases.

### O'Toole Renews Minn. Fight

ST. PAUL—W. H. O'Toole has revived his two-year fight to recover the amount of the contingent loading factor on compensation insurance in 1935-7. His two previous court actions were unsuccessful. His petition is filed in behalf of E. W. Coons Co., Hibbing, an employer. The new action is identical with the first one brought in behalf of the Healy-Ruff Co., St. Paul, except that it covers three years instead of two and demands a return of \$1,704,689 instead of \$1,020,754 as in the first case.

### Report on Utah State Fund

SALT LAKE CITY—The state insurance fund of Utah "fully meets the requirements of sound financial condition," according to a report filed with the industrial commission by A. W. Mowbray, Berkeley, Cal., consulting actuary. Ledger assets as of June 30 are placed at \$2,099,470. Net premiums received were \$941,769, with \$686,111 paid in benefits. The report shows 70 percent of the workmen's compensation insurance written in Utah is placed with the state fund.

### Plan County Compensation Fund

PERRY, N. Y.—Ten of Wyoming county's 16 towns have adopted resolutions favoring creation of a county compensation insurance fund. The county's nine incorporated villages are expected to take immediate action on the proposal. If sufficient interest warrants, the county is prepared to set up its own compensation fund, according to Supervisor Henry Wilson, chairman of the insurance committee.

L. J. Willman has been appointed safety engineer of the Oklahoma insurance fund, a new office.

The General Casualty of Seattle has been licensed in Georgia.

Plan now to make the Black Cat Club on Hoodoo Day by selling accident and health. Your company can give you details.

## COMPANIES

### Hawkeye Reinsures Travelers Mutual

DES MOINES—The Hawkeye Casualty of Des Moines has reinsured the outstanding business of the Travelers Mutual Casualty, also of Des Moines, it is announced by A. R. Nelson, president of the Hawkeye. The Travelers Mutual will withdraw from business and the Hawkeye will take over its agents, personnel and business in force for the expiration of the policies.

The Travelers Mutual was incorporated in 1927 and was headed by George Olmsted as president; Paul Risher, vice-president; Perry D. Inhofe, secretary, and Karl L. Crittenden as treasurer. As of Dec. 31, 1939, it had admitted assets \$565,580 with premiums written \$332,385. It was licensed in Iowa, Nebraska, Kansas, Missouri, Colorado, Wyoming and Utah, with about 250 agents in the territory.

Under the reinsurance program, the Hawkeye takes over approximately \$330,000 in premiums on outstanding policies and will continue them to expiration. The cost of the reinsurance program will come out of the admitted assets, with the remainder reverting under the mutual setup.

The Hawkeye is a stock company with admitted assets Dec. 31, 1939, of \$1,013,942 and written premiums of \$731,368. Both companies wrote principally automobile coverages. Mr. Olmsted is vice-president of the Hawkeye and K. L. Crittenden, secretary-treasurer.

The Hawkeye is licensed in Iowa, Michigan, Minnesota, Nebraska, and South Dakota and under the reinsurance program will now extend into Kansas, Missouri, Colorado, Wyoming and Utah, where approval has already been secured. It has about 600 agents. All the Travelers Mutual personnel will be taken over, with that company's Denver, Lincoln and Kansas City offices to be handled by the Hawkeye.

In connection with the transfer program, the Hawkeye has increased its capital \$50,000, bringing it up to \$250,000.

### General Casualty Expands

The General Casualty of Seattle is gradually extending its agency plant throughout the central west having appointed Armstrong Crawford with headquarters in St. Louis in charge of development work. The General Casualty will have some purely casualty special agents and in some states the fire specials of the General and First National Fire will also represent the General Casualty. The General Casualty does not belong to any rating bureau of any kind. It is therefore, entirely independent. It writes all general casualty lines except compensation. It also writes surety business.

### Associated Indemnity Gains

For the first six months the Associated Indemnity showed a gain in net premiums written of \$173,510 or 8.5 percent. Net premiums up to June 30 totaled \$2,204,646 as compared with \$2,031,136 last year. Underwriting profit amounted to \$261,967 compared with \$191,432. Voluntary reserve for contingencies increased from \$150,690 to \$362,876. Admitted assets increased from \$5,963,188 to \$6,261,376 since June 30, 1939. Equity in loss reserves amounts to approximately \$681,000.

### Western C. & S., Western Fire Data

The mid-year report of the Western Casualty & Surety and Western Fire of Fort Scott, Kan., showed net premiums of \$1,974,734, compared with \$2,037,636 a year ago. Net profit was \$54,390, compared with \$64,237. Operating profit also was down, to \$147,446, from \$162,



934 the first half of 1939. Market value of securities decreased \$93,055, compared with a depreciation of \$44,001 in the first half of last year.

### Century Indemnity Figures

The Century Indemnity for the first six months shows premiums \$4,531,974, as compared with \$4,547,330 for the similar period last year. The assets are \$13,548,285, capital \$1,000,000, surplus \$3,359,531, loss reserve \$4,525,281, premium reserve \$3,875,158.

### Bituminous Casualty Gains

Continued gains in financial strength and premium volume for Bituminous Casualty are shown in the June 30 statement. Assets reached \$7,049,692 as compared with \$6,743,631 at the end of 1939 and the voluntary contingency reserve was increased from \$37,567 to \$75,492. Capital remains at \$500,000 and surplus \$1,000,000. A high ratio of liquidity is shown by the fact that 79 percent of the assets is represented by U. S. government bonds and cash, and the total of these items far exceeds the \$3,237,227 reserve for claims.

The company specializes in compensation, public liability and property damage lines. Net written premiums for the first half of this year were \$2,865,199 as compared with \$2,246,894 during the same period in 1939.

## PERSONALS

**Ray Murphy**, assistant general manager of the Association of Casualty & Surety Executives, as is known, spoke over a public address system to the annual meetings of the Washington, Oregon and Idaho agents. His last address was to the Idaho folks. He talked direct from his residence in Great Neck, L. I., speaking for 15 minutes.

The entire home office organizations of Commercial Standard of Fort Worth and Southland Life of Dallas were entertained at a picnic and barbecue at the farm of **A. Morgan Duke**, known as "Merry Acres." The farm is located about half way between Dallas and Fort Worth. Mr. Duke is chairman of Commercial Standard and president of Southland Life.

**H. F. Primeau**, 50, for many years with the Detroit branch of the National Surety, died from a heart attack while on his vacation at Leamington, Ont. He was known among his associates as "Bring 'Em Back Alive" because of his ability to persuade bail bond jumpers to surrender voluntarily.

**Philip S. Powers**, 73, for many years general agent at Richmond, Va., for the Ocean Accident and past president National Association of Casualty & Surety Agents, died at his home in Richmond following a protracted illness. After leaving the Ocean he was for a time with the Richmond office of American Surety. Later he became connected with the Aetna Life and affiliated companies there, specializing in writing bonds. He was organist of St. James Episcopal church in Richmond for some time prior to his fatal illness and had played in many Richmond churches.

### Des Moines Club Opens Sept. 9

**DES MOINES**—The Des Moines Casualty & Surety Club will hold its first fall meeting on Sept. 9, it was announced by President J. R. Owens, Fidelity & Deposit. A nominating committee will be named to select a slate of officers for election at the annual meeting Sept. 23.

### High School Plan Not Insurance

The Michigan attorney-general has held that the plan of the Michigan State High School Association for reimbursing injured athletes for medical expense does not come under a legal definition of insurance.

## Record Gathering of Montana Agents

(CONTINUED FROM PAGE 3)

remains the foundation upon which insurance companies are built. It is necessary that the local agents and the companies work in close harmony. Generally speaking, I believe this is being done.

### Not Conducive to Best Interests

"However, at times a keen desire for more premiums undoubtedly has inveigled some companies to embark along routes that are decidedly detrimental to local agents as a whole. In the final analysis this practice is not conducive to the best interests of the companies themselves. Particularly is this true as it relates to the evil of irresponsible agency appointments."

Mr. Fowler questioned the need for 3,150 licensed agents in Montana or one for every 140 persons.

"Do you believe all of those 3,150 agents are honestly trying to keep insurance on the plane it merits so as to inspire continued confidence among the insuring public? I do not think you do. Is it your honest opinion that a smaller and more select and better qualified number of agents would serve the companies better and create more confidence

from the public towards the insurance business? It is my opinion that very emphatically you do.

"If this practice is to be continued, it can very easily wreck, or at best, seriously curtail the insurance program for both the local agents, and the companies. It will be well for any company that may have strayed from the path of honest and ethical business principles through the appointment of poorly selected agents to give serious thought to the step they are taking.

### Should Be Company Movement

"Any attempt at correcting this practice should be by a 100 percent company movement, in which a sincere effort is made to place insurance on a plane that will inspire added confidence by the public in the insurance business, as well as the agents.

"Concerted thought along this line would also mean a unified front against the insidious attempts of mutual and reciprocal companies to undermine and cripple the capital stock companies.

"Cooperation between companies, fieldmen and agents continues to be most cordial. But we should all strive

for an ever closer understanding so as to be better able to combat the time when adverse legislation and increasing government interference must be curbed. This will require hard work and personal sacrifice from everyone connected with insurance."

Due to the continual insurance changes and broadening of coverages it is more necessary than ever before that agents be versed in the basic fundamentals of their business, Mr. Fowler declared in stressing the need for increased educational facilities.

Mr. Fowler suggested six recommendations:

1. That the association and the Special Agents Association work jointly towards the appointment of a public relations man for Montana.

2. That the vice-president automatically becomes membership chairman.

### Would Rotate Offices

3. That in order to give more members the opportunity of actually participating in the work of each state office, new personnel for all appointive offices should be named each year.

4. That an educational committee be named in conformity with the wishes of the National association.

5. That the present minimum rate of \$3.50 for membership be increased to

## 50+ Years of Service

The Preferred Accident has throughout its 55-year career built up and maintained a progressive staff of agents in all parts of the country with whom its relationship has been friendly and mutually profitable.

The cornerstone of the Preferred's success has been gradual, steady growth, the emphasis being on careful underwriting in both field and home office, and a policy of claim settlements that builds good will among policyholders.

That agents appreciate this program in its broad aspects is indicated by their long time representation of the Preferred.

Automobile Accident Burglary  
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\$5. This extra revenue will be of great help in carrying on the work of this association and in securing more benefits for the membership.

6. That regular mid-year conferences be held.

Arnold Huppert, Livingston, secretary-treasurer, reported a membership gain of 40 with a total of 200. He estimated that these 200 members write about 60 percent of the business in the state. Based on ratio of membership to total population, he claimed that the Montana association ranks the highest in the U. S.

Mr. Huppert urged the appointment of a committee to formulate a plan for the equitable distribution of state insurance and to secure the reaction to it from candidates now up for election who will form the state board of examiners.

Mr. North explained the service his newly-created office is rendering representatives of capital stock companies through development of new business.

Golf, swimming and trout fishing relaxed the conventioners late in the afternoon before the banquet, which 175 attended. W. F. Rae, Havre, was toastmaster. President Smith, who spoke at the banquet, left immediately afterwards by plane for Duluth to attend the Minnesota association's meeting.

Reports of officers and committee chairmen were mimeographed and distributed to members.

#### Huppert Remains as Secretary

Arnold Huppert, Livingston, was re-elected secretary-treasurer for the fourth consecutive time.

The new president called an executive committee meeting for September in Butte to decide the site of the 1941 convention. Yellowstone Park and Billings were reported under consideration as likely places.

There was a closed session for members only. H. W. Semmelmeier, San Francisco, manager Pacific Board department of public relations, spoke on "Public Relations" in the afternoon the last day, and new officers were elected.

Before departing for their homes more than 100 of the convention group drove to the Big Spring City park for a picnic lunch and evening's entertainment.

#### Resolution on Fire Safety Work

Among resolutions approved by the convention was one recommending that local agents in their respective communities lend their efforts and fullest cooperation in any movement whereby the fire defenses of their cities may be improved for the added protection of property and the safety of their citizens.

President-elect Yegen has been a resident of Billings all his life. A member of the field artillery during the world war, he has since been commander of the Yellowstone American legion post, past master of Masonic rite, a member of the Billings Commercial club and Kiwanis club.

## Levant Strikes at Compulsory Auto

(CONTINUED FROM PAGE 2)

floundered in a bog and of late we have heard virtually nothing about it," commented Mr. Levant. "I hope the BDO will have something better to offer us than it has had in the past. There is an urgent need for activities in behalf of capital stock insurance and I would like to see effective programs developed. Although I have my own ideas as to what the BDO should do I should like to hear discussions on the floor because through an exchange of opinions we undoubtedly can assist the BDO.

"Public relations continue to be widely discussed. Public relations is most useful if it is coupled to the services of the agent. If you neglect your clients, or if you are incompetent, you injure the business of legitimate insurance and ballyhoo in the form of publicity cannot

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 19, 1940.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	114	118
Aetna Fire ....	10	1.80*	46 1/2	48 1/2
Aetna Life ....	10	1.40*	27	29
Agricultural ...	25	3.25*	67	70
Amer. Alliance ..	10	1.20*	20	21 1/2
Amer. Equitable ..	5	1.00	16	18
Amer. Home ...	10	...	6	8
Amer. (N. J.) ...	2.50	...	11	12 1/2
Amer. Surety ...	25	2.50	47	49
Automobile ....	10	1.40*	34	36
Balt. Amer. ....	2.50	40*	6	7
Bankers & Ship..	25	5.00	92	95
Boston ...	100	21.00	585	600
Camden Fire ...	5	1.00	19 1/2	20 1/2
Carolina ...	10	1.30	27	29
Contl. Cas. ....	5	1.20	32	34
Contl. N. Y. ....	2.50	2.00*	34 1/2	36
Fidelity-Phen... ..	2.50	2.00*	34 1/2	36
Fire Assn. ....	10	2.50*	60	63
Firemen's (N.J.) ..	5	40	8 1/2	9 1/2
Franklin Fire... ..	5	1.40*	27 1/2	29
Gen. Reinsur... ..	5	2.00	38	39
Georgia Home... ..	10	1.20*	22	24
Glens Falls ...	5	1.60	40	42
Globe & Repub. ..	5	50	8	9
Gt. Amer. Fire... ..	5	1.20*	24	25 1/2
Gt. Amer. Ind. ...	1	20	9	11
Halifax ...	10	1.00**	10	12
Hanover Fire ...	10	1.20	23	25
Hartford Fire... ..	10	2.50*	76 1/2	78 1/2
Hartford S. Boil..	10	1.60	50	53
Home Fire Sec. ...	10	...	1 1/2	2
Home (N. Y.) ...	5	1.60*	29	31
Home Indem. ...	3	...	9 3/4	...
Ins. Co. of N. A. ..	10	2.50*	61	63
Maryland Cas... ..	1	...	1 1/2	2
Mass. Bonding... ..	12.50	3.50	59	61
Mer. (N.Y.) Com. ..	5	1.70*	43	45
Natl. Cas. ....	10	1.00	25 1/2	27 1/2
Natl. Fire ...	10	2.00	53	55
Natl. Liberty ...	2	40*	6 1/2	7 1/2
New Amst Cas. ...	2	75	16	17
New Hampshire ..	10	1.80*	46	48
Northern (N.Y.) ..	12.50	5.00*	91	94
North River ...	2.50	1.00	23 1/2	25 1/2
N. W. Natl. ....	25	5.00	118	125
Ohio Cas. ....	5	1.15*	34 1/2	36 1/2
Phoenix, Conn. ...	10	3.00*	74	76
Preferred Accl. ...	5	30	13	14
Prov. Wash. ...	10	1.40*	33	35
St. Paul F. & M. ..	62.50	8.00	227	233
Security, Conn. ...	10	1.40	30	32
Sprgld. F. & M. ...	25	4.75*	110	112
Travelers ...	100	16.00	395	410
U. S. Fire ...	4	2.00	44 1/2	46 1/2
U. S. F. & G. ...	2	1.00	19	21

\*Includes extra. \*\*Canadian funds.

overcome your failures. The best answer to our critics is conscientious performance guided by knowledge and experience.

#### Casualty Insurance

"The situation in the field of casualty insurance is such that we should give it more than cursory attention. Automobile insurance particularly has become chaotic and it is likely the legislature of 1941 will delve into the situation with eyes fixed on corrective measures. It is foolish for us to think the public will tolerate for long the wolfish practices that have become common in automobile insurance. Something must be done to stabilize the rates and the fictitious fleet problem demands immediate solution."

The Bituminous Casualty branch office in Kansas City has added Calvot Wright, claims man, replacing J. E. Flannery, and John McCloskey and Lewis Sears, engineers.



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## Restrain Palmer from Enforcing Ruling

(CONTINUED FROM PAGE 13)

The petition of American Automobile contains no reference to the Illinois department's prohibition of equity rating, because American Automobile states it does not use that method. The petition attacks certain other portions of bulletin AR-41.

American Automobile objects to the order requiring that the relationship between rates or premiums charged in one part of the state to those charged in another should be identical for all companies. American Automobile contends that the department has no power under any statute to compel companies to adopt a schedule of rates on that basis. The order, the petition charges, is an illegal attempt to compel uniformity among companies; the order is unreasonable; it is vague, indefinite and unenforceable because there is no way for the department to compel the companies to agree with each other as to their classifications for rating purposes and the company or companies whose scheme of rates is to control the determination of that question is not set forth by the department. American Automobile contends that no legal plan for accomplishing the objective is possible in the absence of power of the department over rates.

### Exceeds Authority

The ruling relates to rates, American Automobile declares, which is a subject which has not been delegated to the department by the legislature. The order, according to American Automobile, fails to take cognizance of differences between the various companies writing automobile insurance. It says that the order illegally interferes with the liberty of the insurers to contract with their policyholders and to establish their rates in the various sections of Illinois without the interference of the department; the order is against public policy since it tends to retard competition; the statute gives the department no power to promulgate rates or rating plans or rules, or to interfere with company handling of such matters unless the rate be unjust, unreasonable and discriminatory or preferential and American Automobile contends that its rate setup and territorial classifications, etc., are not unjust, unreasonable, etc.

Another portion of the order to which American Automobile objects is that which attempts where the rate is computed with experience of a fleet to prohibit the insurers from charging a provisional rate for a fleet policy less than that at which the expiring policy has been written. This order, according to American Automobile, relates to a subject over which the department has been given no authority by the legislature. The so-called provisional rate, the petition asserts, is not a rate at all, but a deposit made by the policyholder because of the temporary inability to compute a rate and the department has no jurisdiction over the matter of such deposits or over the rates thereafter to be determined. This order, according to the petition, interferes with freedom of contract, deprives companies of equal protection of the laws; the order tends to retard competition between the companies for fleet business; the practice of collecting a lesser provisional deposit than the expiring policy is not necessarily or even likely to be unjust, unreasonable, discriminatory or preferential and is not in violation of any law.

### Experience Rating of Buses

Another portion of AR-41 to which American Automobile takes exception is that which prohibits the use of experience rating plans for fleets of buses and public automobiles. The use of such plans for those types of automobile is neither unjust, unreasonable, discriminatory or preferential, the petition sets forth. American Automobile contends that the department has no authority to promulgate such rules; that the rule is

unreasonable; that the use of experience rating plans is well recognized for passenger automobiles and trucks and there is no reason why it ought not be applied to school buses, buses, funeral cars or similar public automobiles.

The provision of AR-41 which attempts to prohibit the use of retrospective rating plans for automobile business, according to the petition, is invalid and beyond the authority of the department to promulgate or enforce.

The provisions of AR-41 relating to commercial car classifications are invalid, according to the petition, because they are indefinite in failing to indicate whether they require each company to classify uniformly all commercial cars classified by the company or whether the order requires that the classification adopted by all the companies be identical. If the provision means that the classification as adopted by all companies be identical, then according to American Automobile, the order is invalid and if it means that each company must classify uniformly all commercial cars classified by it, then the order is unreasonable and discriminatory.

American Automobile states that the department held no hearing authorizing or justifying the provisions of AR-41 and the provisions are not supported by any evidence.

## SURETY

### Bein Gets Big Detroit Job

DETROIT — The Detroit Housing Commission has awarded the contract for the construction of 2,150 dwelling units in the S. J. Herman Gardens housing project, one of the largest housing projects of its kind ever undertaken in this country, to Maurice L. Bein, Inc., of Bridgeport, Conn. The Bein organization submitted the lowest bid for steel construction, and competitors bidding on concrete construction were automatically ruled out when the commission voted unanimously for steel construction. If the action of the commission is approved by the city council and by the United States Housing Authority, the Herman Gardens Project will be the first in the country to be built of steel. Bein's basic bid was for \$8,300,000. Standard Accident will be the originating company for the contract bond.

### Bid on \$2,731,000 Camp Project

LOS ANGELES—F. J. Twaits Co. and Morrison-Knudsen Co., Los Angeles, with a joint bid of \$2,731,000, were the low bidders on the temporary housing project for Camp Ord, Monterey, Cal.

The Pacific Indemnity is on the bid bond for Twaits Co. and the Fidelity & Deposit for Morrison Knudsen Co. They will also write the performance and payment bonds when contract finally is signed.

The Community Mutual Casualty of Cincinnati is changing its name to the American Underwriters Mutual Casualty.

CASUALTY AND FIRE ACCOUNTANT AND STATISTICIAN, desires to make a change. Has had years of experience in compilation of financial statements, with related underwriting and investment schedules; also in all forms of taxation, including Federal Income. If interested can furnish excellent references. Address M-5, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

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## See Hope of N. H. Law Gaining Way

(CONTINUED FROM PAGE 11)

not completely fulfill its purpose because some innocent third party may suffer damages which will not be recompensed because of the lack of financial responsibility on the part of the owner or operator involved in his first accident. Mr. White said that the number of registrations revoked for non-compliance with the provisions of the statute is amazingly small. The New Hampshire statutory endorsement attached to every automobile policy gives a wider protection than the ordinary contract to claimants against the assured. It is quite difficult for a company, he said, to deny liability to a third party for any breach of the warranties in the policy. The companies do have subrogation rights under certain conditions.

### Right of Selection

Insurance, cash or surety bonds are acceptable forms of security. Few cases are either cash or bonds, however. The law is silent as to companies admitted to do business having to carry any or all risks, thus the prerogative of selection is left with the companies. From the view point of the industry, he said, this is most important. However, it became evident after the law went into effect, that border-line cases were being denied coverage, which resulted in revocation of their driving privileges. This finally led to the New Hampshire voluntary assigned risk plan. It was the first to be adopted in any state and it has now been taken over almost without change in Maine, Connecticut and Illinois. Assignments are distributed by the manager of the Portland, Me., branch of the National Bureau of Casualty & Surety Underwriters, distribution by premium being proportionate, so far as practicable, to the respective premium writings in New Hampshire. All carriers, including the direct writing mutuals, subscribed to the assignment. The plan is designed, he said, to provide insurance for those who are in good faith entitled to it. The plan states that no risks shall be considered as entitled, nor coverage extended, when the applicant or anyone else who drives a vehicle has been convicted more than once during a three year period for any one or more of a number of offenses, or if one has a major physical disability or if he has failed to meet all obligations to pay automobile bodily injury and property damage liability insurance premiums contracted during the previous 12 months.

### May Make Extra Charge

If the experience of anyone applying for coverage under this plan is such as to indicate that the hazard is greater than that contemplated by the rate or minimum premium normally applicable,

the carrier may charge such rates and minimum premiums as are commensurate with the greater hazard subject to the approval by the insurance commissioner. In all cases where there is no unusual hazard, premium is 15 percent above manual.

Mr. White said that the result of the figures recently received from the bureau indicates that previous to the passage of the law in 1927 only 26 percent of the registered cars were insured. As of Dec. 31, 1936, this had been increased 36 percent or an average of 1 percent per year. The present law became effective Sept. 1, 1937, and on Dec. 31, 1938, the bureau estimated that 56 percent were insured. The department estimates that 71 percent of the registered cars were insured as of Dec. 31, 1939. The assigned risk plan, he said, seems to be working more satisfactorily than any had dared to hope. Underwriting of normal and even assigned risk are still in the hands of companies exactly where it should be in his estimation. There is a far better loss ratio than on normal risks during the first 14 months. He was asked why this is so. In his opinion it is because of the delay of three or four weeks necessary to complete the assignments during which the applicant may have had his registration revoked pending completion plus an increase in rates over manual. These conditions bring sharply to the applicant's realization the fact that insurance is not freely bought, that he must produce a good experience in order to eventually eliminate the penalty premium and to avoid losing, completely, insurance which keeps his plates on his car. He said that borderline and even definitely bad drivers are becoming better drivers.

### Sullivan Seeks Third Term

SEATTLE—W. A. Sullivan is seeking a third term as Washington commissioner. His only opponent in the Democratic primary is G. E. Stokes, who was defeated by Mr. Sullivan in 1936.

Republican candidates are F. C. Becker, assistant agency manager Equitable Society; R. J. Schneider, New York Life agent, Issaquah, and Col. George B. Lamping, Seattle, 1936 Republican nominee, and well known in insurance circles.

### M. P. Cornelius Advises Greatest Possible Stability

(CONTINUED FROM PAGE 11)

efficient organization is to select carefully for every job, whether of major or minor importance. "With this survival of the fittest theory you build up a reliable man power by making selections wholly on merit," he added.

Mr. Cornelius went on to say that as a result of the persistent and conscientious application of this simple principle he felt his company had gathered together a fine aggregation of man

power, particularly young man power. From it all comes that great force in a company called spirit. It is cooperation, coordination, friendliness, and a partnership spirit.

From all of this a person gets the two things that he is seeking—happiness and security. A person finds happiness in the situation where the individual can have the greatest opportunity. Security is found in the security of the institution. If the institution falls the person falls.

"Every wise policy of management, every economy, every self sacrifice, every precaution that is taken to insure the stability and the permanency of the institution is not for the benefit of some vague, intangible, remote corporate entity, but directly for the benefit of every one of us, because by promoting the security of the institution we promote the security of every individual connected with it," he said.

### Other Executives Participate

Roy Tuchbreiter, executive vice-president, gave the figures of Continental Casualty 15 years ago as compared with its standing today. George Hoffmeister, vice-president, outlined new medical payments in connection with automobiles. W. G. Caples, general attorney, who was in charge of the two day meeting, outlined recent policy changes. J. F. Hanley, first assistant district attorney, Kings county, New York, and former Continental claim man in New York City, was called upon for a short, amusing talk.

The afternoon session was turned over to the claim men and the following participated: O. O. Touchstone, Dallas, "Non-waiver Agreements;" Willard Potte, Buffalo, "Preparing a Case on Trial;" Dean Alexander, Detroit, "Workmen's Compensation;" G. M. McLaughlin, Newark, N. J.; W. J. Whitchurch, Los Angeles, and Gordon Boswell, New Orleans.

The second day's session was divided into several sets of meetings, the differ-

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<b>TOTAL ADMITTED ASSETS .....</b>	<b>14,496,218.57</b>

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ent claim sections in the country meeting individually. The more interesting claim cases in each section were discussed.

## Important Changes in Liability Covers

(CONTINUED FROM PAGE 11)

been increased from seven to 30, experience over recent years having indicated the need for this change in order that localities having a favorable experience shall not be penalized by those showing an unfavorable experience. Accordingly, in some rating territories the rates have been reduced, in others they have been increased, while in the remainder there have been no changes, as the experience indicates. Averaged on a countrywide basis, these changes represent an overall rate reduction of approximately 1 percent. Property damage and collision coverages, which are determined on a countrywide basis, have been reduced substantially. The reduction for property damage rates approximates 20 percent and for collision rates in excess of 50 percent. In addition, the minimum premiums for both property damage and collision have been reduced 50 percent.

### Product Liability Manual

Similarly complete revisions are contained in the product liability manual, constituting reductions both in rates and minimum premiums. Bodily injury rates in New York state have been reduced 11.3 percent, and 20.2 percent for the remainder of the country, making an over-all countrywide reduction of 17.6 percent. Property damage rates for the entire country, including New York, have been reduced between 35 and 40 percent. Important changes also have been made in the rules and classifications in this manual which will simplify and clarify the underwriting procedure. For instance, under the electrical equipment manufacturers' class there is an editorial explanation pointing out that it includes but is not limited to heating pads, vibrators, massagers, exercisers, etc.; the manufacturers' class for food products in metal or glass containers includes but is not limited to ketchups, sauces, syrups, etc., and similarly with other classifications where question has existed in the past. The standard minimum premium for product liability bodily injury coverage has been lowered to \$15, a reduction of more than 50 percent from the former standard minimum of \$35. An even greater reduction has been made in the standard minimum premium for product liability property damage coverage, the minimum now being \$5. Special minimum premiums for certain classifications have been reduced less substantially and in some cases the former minimum has been maintained.

### Excess Liability Coverage

Rates on excess limits coverage for product liability, elevator liability, and owners, landlords and tenants liability insurance have been reduced. The bodily injury excess limits rates for product liability and elevator liability have been brought down to the same level as the owners, landlords and tenants rates, which were reduced last year. Property damage excess limits rates have been reduced for all three, product liability, elevator liability, and owners, landlords and tenants. As a result, assured requiring protection beyond the standard limits for all of these classifications will now pay a lower premium for their excess coverage.

An entirely new and greatly simplified method has been adopted for insuring retail drug stores in New York state against loss resulting from the use or consumption of products after sale. Heretofore two policies were required, a product liability policy which covered only food, beverages and products, other than drugs or medicines, used or consumed away from the premises where sold, and an owners, landlords and tenants policy covering such products used or consumed on the premises.

Hereafter retail drug stores in New York state will be covered for product liability under one policy, regardless of whether the products are used or consumed on or away from the premises where sold. For rating purposes the stores have been divided into two groups, those having total annual sales of less than \$20,000 and those whose annual sales total \$20,000 or more. For the former a complete coverage rate has been established, applying to all goods or merchandise sold, including drugs, medicines, beverages and food. For the latter, one rate has been established applying to beverages and food, and a second rate applying to drugs, medicines, and all other merchandise sold.

These classifications, together with their rates and minimum premiums, now embrace the coverage formerly provided under "druggists liability" policies, and in so far as New York state is concerned the former "druggists liability" coverage, rates and minimum premiums are no longer applicable. The National Bureau specifically called attention to the fact, however, that for the present this applies only to New York state, the former procedure remaining in full force elsewhere. For application in New York state new classifications for retail drug stores in the owners, landlords and tenants manual have been established which exclude the coverages now included in the product liability manual. These new owners, landlords and tenants classifications vary according to the amount and type of food and beverages sold.

**Miscellaneous Liability Rules**

Revision of the miscellaneous liability rules and classifications has been so extensive that it is not feasible to consider here those of minor importance in their general application. Among the more noteworthy changes are the following: Under owners, landlords and tenants and manufacturers and contractors policies, the alteration permit rules have been amended to permit inclusion of coverage for "new construction work when performed at the insured premises where other buildings or structures of the insured are located."

Owners, landlords and tenants coverage for residences, estates and farms has been broadened to include, without charge, buildings occupied exclusively by the insured's servants and located on the residence, dwelling or farm premises. The definition of additional private residences or dwellings has been broadened to apply in connection with "any other premises" rated under the manual and covered under the same policy. The landlords protective liability rule has been amended to apply to premises sold under contract or conditional sales agreements.

The rules for employers liability coverage on domestic servants, including immediate medical and surgical relief, when written concurrently with owners, landlords and tenants bodily injury liability insurance for the insured's residence premises, other than farms, have been extended to apply to private estates.

In the elevator liability manual the definition of a one-story elevator has been clarified, the landlords protective liability rule has been amended in the same manner as for owners, landlords and tenants, and the freight escalator classification has been eliminated. Freight escalators will now be covered without charge under manufacturers and contractors and owners, landlords and tenants policies.

In the product liability manual, a new rule has been adopted regarding coverage of vendors as additional interests for policies covering manufacturers and distributors as named insured. The product liability classifications have been completely revised and now refer to products for manufacturers and packers. New classifications have been established for risks that manufacture and sell their own products through their own retail stores.

## CHANGES IN CASUALTY FIELD

### Arthur J. Frenz Named Manager of Chicago Agency

Arthur J. Frenz, office manager of Bourke & Novak, Chicago agency, has been appointed manager of National Insurance Management Agency of that city, which is branch manager of Pennsylvania Casualty. The office is in 1861 Insurance Exchange building. Mr. Frenz will take his post Sept. 1, being associated with Carl J. Sanders, president.



A. J. Frenz

Mr. Frenz has had 25 years' insurance experience in Chicago, being connected with American Eagle and National of Hartford, and also Robert H. Beard & Co. and Cramsie, Laadt & Co., as Cook county special agent. He managed the insurance department of the Bernard Investment Company of Springfield, Ill., and later for a time was special agent of Highway Mutual Casualty.

### Erickson Lloyds State Agent

MINNEAPOLIS—M. O. Erickson has been named state agent for Minneapolis Lloyds, succeeding Norton H. Roberts, resigned. Mr. Erickson has been with the company 10 years as adjuster and special agent.

### Powers with the Travelers

W. F. Powers of Chicago, western district automobile manager for the

American Mutual Liability for the last eight years, has gone with the Travelers in the Insurance Exchange building, Chicago. In the American Mutual he did production work and supervised salesmen in the 10 branches reporting to Chicago. He had jurisdiction over fire, burglary and plate glass in addition to automobile.

### Nickels in Illinois Field

J. B. Nickels, for the past 12 years in the casualty department of American Surety and for some of that time manager, has been appointed special agent for that company traveling in Illinois, to succeed G. G. Haller, who has been transferred to the Denver branch office. Mr. Nickels originally was with New York Casualty.

### International Map of Foreign Sales

(CONTINUED FROM PAGE 7)

compared with \$374,000,000. Of these amounts, \$298,000,000 and \$284,000,000, respectively, were accounted for by British owned units. The net transfer of funds from United States to foreign countries because of international insurance transactions was \$37,000,000, increase \$12,000,000. This change was the result of a reversal in the movement of funds on account of the operations of United States life companies in Canada from a net inflow of \$11,000,000 in 1938 to a net outflow of \$10,000,000 in 1939. The outflow of funds from this country resulting from the operations of foreign companies here was placed at \$38,000,000 in 1938 and \$30,000,000 in 1939.

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Notable Speakers on Ohio Program

The program for the annual meeting of the Ohio Association of Insurance Agents at the Hollenden Hotel, Cleveland, Sept. 30-Oct. 2, has been announced. The first day will be given over to the annual Ohio insurance golf tournament. Play will be limited to registrants at the convention and prizes will be awarded the winners. There will be luncheon at the country club and a golfers buffet at the Hollenden in the evening. The trustees of the association will meet Monday night, Sept. 30, and the convention will open at 10 a. m. Oct. 1. The program will embrace a frank discussion of the insurance business and the local agent.

Vice-president Paul W. Kridler of Fremont will call the convention to order. Mayor Harold Burton of Cleveland and President John W. Barrett of the Insurance Board of Cleveland will give addresses of welcome, with response by J. F. Van Vechten of Akron, trustee of the Ohio association. President W. A. Earls of Cincinnati will deliver his presidential address and J. Roth Crabbe, deputy superintendent of insurance, Raymond Rhoads, assistant superintendent of insurance, and L. U. Jeffries, warden of the Ohio department, will conduct a conference, in which the insurance department officials will answer questions submitted by the members of the Ohio association.

Speakers the first afternoon will be Commissioner Blackall of Connecticut, president National Association of Insurance Commissioners; B. R. Walinder, Chicago, assistant manager farm department America Fore; A. E. Armstrong, Cleveland, field supervisor group and pensions division Aetna Life, and L. H. Wiggers, Cincinnati, manager insurance and real estate department, Procter & Gamble Co.

J. Frederick Essary, Washington correspondent Baltimore "Sun," will be the banquet speaker. The Orpheus Male Chorus of Cleveland, under the direction of Charles G. Dawe, will sing at the banquet.

Superintendent Lloyd of Ohio and Paul L. Haid, president Insurance Executives Association, will speak the following morning and Earle W. Hodges, New York, public relations director Cities Service Co., will give the address at the luncheon. The officers, who will be elected the first thing Wednesday morning, will be installed before the convention adjourns.

### Ill. Short Course Wins Recognition

At its alumni day luncheon held under the auspices of Northwestern University, the National Institute for Commercial and Trade Organizations Executives paid tribute to the Illinois Association of Insurance Agents by awarding its secretary, Mrs. Lillian L. Herring, the John N. Van der Vries Memorial Award Certificate of Recognition for outstanding accomplishment in personal education to promote the effectiveness of the trade association in industry advancement.

The contest was divided into two classes, trade associations and commercial organizations. The only requirement for any entry in either class was that it had to be the achievement of group effort. The group project, which Mrs. Herring submitted under this requirement, covered the groundwork and

results secured from the first annual insurance short course which the Illinois Association of Insurance Agents held at the University of Illinois last month.

W. H. Jennings, Rockford agent, and W. H. Stewart, president Stewart, Keator, Kessberger & Lederer, Chicago, both past presidents of the Illinois association, attended the luncheon.

### Competition Develops for Grand Rapids School Line

GRAND RAPIDS, MICH.—An effort is being made by the General of Seattle to obtain the fire coverage on the Grand Rapids school system, carried for the past 3½ years through the Grand Rapids Association of Insurance Agents.

At a conference on renewing the present coverage or arranging some new insurance plan, Jack Holt, Detroit, and O. J. Sawyer, Grand Rapids, appeared before the board of education to urge that the business be given the General on the ground that it is the only stock company that can write the business at 20 percent off manual rates. W. C. Buchanan, state agent, and F. D. Berles, local agent for the mill mutuals in Lansing, also offered a cost-saving contract, on the basis of paying dividends.

C. G. Watkins and D. A. Forbes represented the agents' association, urging that the blanket contract be renewed. The old policy, written for an aggregate of \$10,250,000 on the 40 buildings controlled by the board, at an annual premium of \$8,562, has expired and the risk is now being carried on a binder that expires Sept. 2.

Board members, who declined to make an immediate decision, are insistent that some arrangement be made involving an annual premium expenditure of not more than \$2,500, the amount set up for insurance in the new budget.

### Addition of W. A. Williams Completes Iowa Program

DES MOINES—President Harry C. Brown, Mason City, has announced that the program for the annual meeting of the Iowa Association of Insurance Agents here Sept. 4-6 has been completed with the addition of W. A. Williams, vice-president Fred L. Gray Company, Minneapolis, who will speak at the Thursday morning session on "Profit Through Knowledge."

B. C. Hopkins, Des Moines, past president and chairman of the executive committee, heads the nominating committee.

There is some speculation on selection of the new president. E. C. Cady, Burlington, executive vice-president and normally in line to succeed Mr. Brown, is reported as not likely to seek the office. If Mr. Cady does not run, it is probable that one of the four regional vice-presidents will be selected. They are R. S. Andrews, Sioux City; Lyle Jefferies, Clinton; Leon Morse, Council Bluffs, and Frank Stouffer, Colfax.

### Fire Prevention at Elwood

Jesse E. Miller, Indiana state agent of the Ohio Farmers, who lives in Elwood, Ind., says the committee in charge of arrangements for the Willkie notification ceremony gave special attention to fire prevention measures. All automobiles except those of special guests and workers and the press were barred from the streets of the city and a number of fire departments of neighboring towns sent ap-

paratus which was placed at selected points for the day. First aid stations were set up and ambulances in taking care of heat prostration cases had no difficulty in getting about quickly. C. D. McVay, vice-president of the Ohio Farmers, and Mrs. McVay were guests of Mr. and Mrs. Miller at Elwood over the week-end.

### Reduce Rates on Madison Suburbs

MADISON, WIS.—As the result of contracts for fire protection signed by townships of Burke, Madison and Westport and the city of Madison, the fire insurance rating bureau has authorized lower rates on fire policies for single family, shingle roof, frame dwellings within 1,000 feet of a Madison water hydrant and within three miles of a Madison fire station. The new rate on this class is 22 cents per \$100 as compared to 36 cents formerly. Other risks are proportionately affected.

### Hildebrand in Missionary Work

LANSING, MICH.—In connection with his trip to the annual convention of the Upper Peninsula Association of Insurance Agents at Munising, W. O. Hildebrand, secretary-manager of the Michigan association, did considerable "missionary work" both among northern Michigan agents and with other business groups. He also assisted in organization of a new Delta county association and obtained a number of new members for the state organization. Plans were launched for next year's convention of the Upper Peninsula association, to be held at Ironwood.

Mr. Hildebrand appeared as a speaker before several local and county boards and addressed several luncheon clubs.

### Dieterly Agency Approved

CINCINNATI.—The application of Carl Dieterly and his son, George Dieterly, operating as the Dieterly Insurance Agency, for class A membership has been approved by the governing committee of the Cincinnati Fire Underwriters Association and will be submitted to the membership at the next meeting. The agency is qualifying with the sole agency of South Carolina.

### To Remove Motor Club Signs

SOUTH BEND, IND.—Chicago Motor Club traffic signs, for years a source of annoyance to local agents here, are to be removed, it is announced by Ernest Miller, city traffic engineer. City funds will be appropriated to replace one-third of the signs annually for the next three years.

"Our local board has scored a distinct victory in this case," Eugene Happ, president of the South Bend-Mishawaka Insurance Exchange, declared. "We long have felt that the name of the Chicago Motor Club on our traffic signs has been unfair competition in the automobile insurance field."

### Profit So Far on Hail in Minn.

MINNEAPOLIS.—Hail companies will show a nice profit on their small grain business in Minnesota but they still have corn to contend with. The heaviest hail damage in Minnesota was done July 10, several counties in central and southern Minnesota being hit. Practically all the small grain in the state is now harvested. Coverage on corn extends to Sept. 15 and there is still plenty of time for damage to this crop.

### Ohio Stand on Solicitors

The Ohio department holds that fire insurance agents may not accept business from solicitors who are not licensed

for their specific offices, nor may they accept business from unlicensed solicitors. The department says it will vigorously enforce this ruling, which is an outgrowth of the decision of the common pleas court of Franklin county in the N. R. Cornsweet case in June.

### Des Moines Officers Renamed

DES MOINES—Pearl Taylor, head of the Taylor-Milligan agency, was re-elected president of the Des Moines Association of Insurance Agents at the annual meeting.

B. C. Hopkins, chairman of the Iowa association's executive committee, was again selected as first vice-president; Fred Olmsted, second vice-president; Charles Smith, third vice-president, and I. H. Anton, secretary-treasurer.

The Des Moines association is host to the state convention next month and it was felt that all officers should be retained so as not to cause any interruption in the work of preparing for the meeting.

### NEWS BRIEFS

P. S. Aslakson, Cannon Falls, Minn., local agent, now in his 89th year, is still active in the insurance business there and is believed to be probably the oldest active agent in Minnesota.

T. C. Little, Fireman's Fund, addressed the Des Moines Women's Insurance Association on "Uniform Forms."

Fred V. Griffith, head of W. B. Johnson & Co., Kansas City, has just celebrated his 40th anniversary with that agency. Mr. Griffith is the only man to serve as both president and treasurer of the Insurance Agents Association of Kansas City, positions he now is holding for the second term.

Mr. Griffith got his first experience as a boy in the office of his uncle, W. E. Griffith, who was then and still is state agent for Security of New Haven. In a short time he went with the W. B. Johnson Agency in Kansas City and in

### Important Official at Minnesota Convention

Frank S. Preston of Minneapolis is secretary-treasurer and national coun-



F. S. Preston

cillor of the Minnesota Association of Insurance Agents, which is holding its annual meeting in Duluth this week. He has charge of the details and was an important figure in getting up the program. The Minnesota meeting this year will be honored by the presence of four ex-presidents of the National Association of Insurance Agents, Clyde B. Smith of Lansing, W. B. Calhoun of Milwaukee, Allan J. Wolf of Chicago, and C. F. Liscomb of Duluth. The first three are scheduled to speak at the afternoon session Thursday. Also on the program will be three noted Smiths, first, Sidney O. Smith of Gainesville, Ga., president National Association of Insurance Agents; Charles H. Smith of Chicago, western manager Hartford Fire, and president Western Underwriters Association, and Clyde B. Smith of Lansing, former national president.

Mr. Liscomb will preside over the luncheon Friday at which Governor Stassen will be the speaker.

1925 he became sole owner of that agency.

Mr. Griffith's grandfather, T. D. Griffith, bought an interest in the Johnson agency in 1891 but sold it shortly afterwards. Mr. Griffith's father, T. E. Griffith, was state agent for Continental

for some 40 years. Fred V. Griffith, Jr., is now associated with his father in the Johnson agency. Mr. Griffith's brother, R. G. Griffith, is a vice-president of Glens Falls.

Lisle Hering has purchased the agency of C. A. Reubens, Washington, Ia. He has been with the agency for some time.

## IN THE SOUTHERN STATES

### Alabama School Is Highly Successful

A registration of 243, one of the largest in the south, was recorded for the first annual insurance short course of the Alabama Association of Insurance Agents at the University of Alabama in Tuscaloosa. Attendance included 162 local agents from 42 cities and towns, 69 field men and other company and bureau employees and 12 members of the faculty. Merit certificates were awarded to 175.

Despite the hot weather, the agents sans coats and with collars open, buckled down to three sessions a day and three full days of intensive study. Those enrolled in the school included veteran special agents (one being 70 years old) down to teen age girl employees of local agencies. Over 50 women were registered. Included among the students were several sons of agents, indicating that after all the fathers think well of the insurance business as a career. Among the sons were those of Luther J. Thomas, Dothan, former president of the association and dean of the school, and Parker Smiley, Montgomery special agent, and former head of the Alabama Fieldmen's Association, whose cooperation in making the school a success was recognized.

#### Moore Busy with Details

Ed. H. Moore, Birmingham, association secretary-treasurer and the man behind the scenes in arranging the school, was so busy with details that he was able to attend only one session, but he won a gold starred certificate just the same.

Instructors were: J. M. Bugbee, Maryland Casualty; R. W. Forsyth, Richmond, North America; Arnold Hepp, Atlanta, Home of New York; Parks Hunt, Atlanta, Hurt & Quin; E. Dana Johnson, Atlanta, W. H. McGee & Co.; E. H. Luecke, Fidelity & Casualty; A. V. McGregor, Atlanta, Hartford Accident; A. A. Orreder, Atlanta, Hartford Fire; D. L. Royer, Ocean Accident; E. M. Seabrook, Atlanta, Commercial Union; J. D. Williams, U. S. F. & G., and J. P. Woodall, Atlanta, Southeastern Underwriters Association.

Agents were quartered in the dormitories where they got a real taste of college life. Those who found time took dips in the college outdoor swimming pool.

### Tennessee Takes Action on Licenses

NASHVILLE — Simultaneous with the investigation of the qualifications of the 8,000 agents by the insurance department, Tennessee local agents are conducting a "house cleaning" of their own in the campaign to eliminate hundreds of licensed agents in business institutions and industries who are able to control the fire and automobile insurance of their employers and associates and then broker that business to some local agency through whom they obtain their license. Now that such relations are being exposed by the examination being made by the insurance department, the agencies are dropping these part-timers "for the good of the order."

The Nashville Exchange for several years has had a standing offer with the state insurance department to buy the

business of any agent whose qualifications did not meet standards set by the exchange and approved by the ruling of Commissioner McCormack.

#### Other Exchanges Cooperating

Other local agents and insurance exchanges in Memphis, Knoxville and Chattanooga are cooperating with Ed King, manager insurance department's licensing division, in his campaign to eliminate all unqualified agents.

About 5,000 of the 8,000 Tennessee agents have returned the new examination blanks, Mr. King states. A careful investigation and reexamination is being made of every agent's report that is the least irregular as to qualifications, particularly those that admit doing "controlled" writing. At least 10 percent of all blanks examined are being held up for investigation and these agents will be required to stand a second examination as to their insurance relations. All agents doing "controlled" writing must meet the requirements of the ruling of Commissioner McCormack.

#### Make Preliminary Check

Manager King states that the preliminary check of all questionnaires received will be completed in about 30 days and at that time a second set of the blanks will be mailed to all agents who have not already filled out and submitted a report to the department. He also states that several hundred blanks have already been returned because the agent did not answer certain questions.

The Tennessee licensing period begins on Jan. 1, 1941, and Mr. King states that no agent will be licensed who fails to submit the required questionnaire and satisfy the department of his qualifications as an agent.

### Dallas May Follow N. Y. and Become Self-Insurer

DALLAS.—The city of Dallas may discontinue carrying insurance on municipal property and become a "self-insurer," according to A. C. Stephens, assistant finance director, who is now studying the records of New York City. Total insurance premiums of Dallas are about \$12,000 annually, of which the city general fund pays about \$2,000, the park board about \$3,000 and the public schools \$7,000.

About a year ago the city council voted to place two-thirds of its insurance with the local board placement committee of the Dallas Insurance Agents Association and give one-third to mutual companies. The Agents Association challenged the city's legal authority to buy mutual insurance and Attorney-general Mann ruled that political units in Texas cannot, under the state's constitution, buy mutual fire and casualty insurance. The city council then decided to place all of its insurance with the local board placement committee, which made a complete survey without cost to the city and has had all municipal property under a binder.

Until 1930 the city's insurance was a political football. Then the first city manager, John Edy, appointed a committee of agents from the Dallas exchange to survey and appraise all city property and make recommendations as to insurance coverage. The committee's report, which was accepted by the city council, put the insurance on a sound business basis, giving greater coverage for less premium. After four years, the Edy regime was ousted and along with

it the handling of the city's insurance by the Dallas exchange.

From 1935 to 1939 the city insurance was again "spoils of office." The present city council decided to place the city's insurance back with the local board placement committee and is now waiting further reports on the self-insurer plan.

Dallas county and the city-county hospital system have continuously used the Dallas placement board plan since 1931. The public schools of Dallas have never placed their insurance with the placement committee but have scattered the insurance widely with Dallas local agents representing stock companies.

#### Atlanta Group's Outing

The Insurance Library Association of Atlanta held its annual insurance outing at East Lake Country Club. G. F. Smith, Fireman's Fund, won the men's blind bogey golf tournament and Miss Mercedes Fisher, Hartford Fire, won the ladies'. The tennis cup was won by P. A. Chambers, Crum & Forster; runner-up, Weldon Selesky, Hartford Fire, who won the cup last year. Commercial Union won the horseshoe pitching contest with Harold Scott and Thurston Flowers. G. F. Smith, Fireman's Fund, won the top bridge prize.

The bathing beauty contest was won by Miss Sybil Asbury, Georgia Inspection & Rating Bureau, and Mrs. Annette Risse, Fire Companies Adjustment Bureau.

The prizes were presented after dinner. There were 300 present. John Morris, Jr., Southeastern Underwriters Association, was general chairman.

#### Virginia Membership Certificate

RICHMOND.—The Virginia Association of Insurance Agents is supplying all members with a new membership certificate to be hung on the walls of their offices.

The expiration date is printed in red ink in large figures so it can't be used past that time. The slogan "to support right principles and oppose bad practices" is printed in black ink in the center. The fact that standard protection in capital stock fire insurance is given, is conspicuously displayed as is the fact that the association was organized in 1899 and incorporated in 1935. The signatures of B. B. Burroughs, president, and Oscar H. West, manager, appear at the bottom.

#### Virginians to Be in Buffalo

Oscar H. West, manager Virginia Association of Insurance Agents, will attend the annual convention of the National association in Buffalo next month. Others from Virginia planning to make the trip are W. Owen Wilson, Stuart Ragland, E. T. DeJarnette, W. R. Walker, Richmond; Roger Clarke, Fredericksburg; B. B. Burroughs, Norfolk. Mr. Wilson is a past president of both the National and Virginia associations. Messrs. Ragland and Clarke are past presidents of the Virginia association, and Mr. Burroughs is the present head of the state association and Mr. DeJarnette is chairman of the board.

#### Tennessee Committee to Meet

NASHVILLE, TENN.—Manager R. T. Cawthon announces that there will be a meeting of the executive committee of the Tennessee Association of Insurance Agents at Nashville early in September, at a date to be fixed by Presi-

dent W. M. Harris of Johnson City. It is now virtually certain that the association will not attempt a series of schools this year as planned and the executive committee probably will vote to defer its educational plans until next spring. Mr. Cawthon recently completed a round of contacts with nearly every one of the local exchanges.

Miss Margaret Buckingham, formerly with the Connecticut Mutual Life here, has become secretary to Mr. Cawthon, succeeding Mrs. Annie Laura Rinks, who has been compelled to retire because of ill health.

#### New Louisiana Fire Marshal

C. P. Fournet, New Orleans grocer, has been appointed state fire marshal by Governor Jones of Louisiana. He succeeds F. A. Vonder Haar. Jack McCarthy of New Orleans has been named chief deputy.

#### Bristol, Tenn., Rates Lowered

The Tennessee Inspection Bureau has announced a reduction in rates on mercantile property in Bristol Tenn., averaging 12 percent. Increased water supply and increased efficiency of the fire department are given as principal reasons for the reduction.

#### Louisiana School Postponed

The annual insurance school conducted by the Louisiana Association of Insurance Agents that was slated for Aug. 28-30 has been postponed. The 60-day session of the legislature called for continuous attention on part of Manager R. L. McClelland as well as other officers. When they were unable to devote more time to the school, they ran into a number of difficulties and found that it would be necessary to defer action.

#### NEWS BRIEFS

Louis Griffith, who has been connected with the head office of the American Fire & Casualty of Orlando, Fla., for 13 years, has been transferred to Quincy, Fla., in charge of the office there at 110 West Washington street.

Don Mott has purchased the Henry Parker agency in Orlando, Fla. Mr. Parker will still be connected with the business and will remain in the agency, to be known as the Don Mott Insurance Agency. His office is in the McCrory building.

Gussye D. Bennett of the Home in Dallas, newly elected member of the board of the National Association of Insurance Women, entertained the members of the Dallas Association of Insurance Women at a picnic. Miss Bennett reported on the Denver meeting.

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Service Headquarters for Alert Agents



## EAST

Program Given  
for N. J. Parley

The program is announced for the annual convention of the New Jersey Association of Underwriters in Atlantic City Sept. 4-6. There will be a golf tournament the afternoon of Sept. 4 and that evening the conventioners can see the preliminary judgments of "Miss America."

The following morning there will be an executive session followed by an open meeting for discussion of local and county boards. That afternoon there will be a feature described as "Let's Go Back to School." This is sponsored by the educational and rural agents committees. Then there will be an insurance bee on the question and answer style. There will be a group of experts consisting of W. B. Hutchinson, Camden Fire; Samuel Gray, New York Underwriters; W. S. Kite, Hartford Accident; Victor Sweeney, Travelers; J. W. Sargent, North America; James F. Levin, Fidelity & Casualty and W. D. Ullrich, independent adjuster.

The Essex County Insurance Agents Association will stage a demonstration known as "The Dynamics of a Sale." The cast includes F. W. Westervelt, Jr., C. D. Minogue, T. S. Snyder, A. L. Zimmerman, C. W. Bollinger, James Brown, R. H. Wickoff, Andrew Jack and H. L. Brooks.

There will be a get together dinner Thursday evening. On Friday morning there will be a business session with an address by President T. S. Brown and election. At the luncheon, the W. J. Wilson Memorial Cup and other recognitions will be awarded. A. P. Kitchen, special agent of the Federal Bureau of Investigation, Newark, will give the closing talk.

To Protect Pa. Producers  
Who Are Called to Colors

HARRISBURG—Because of the impending national emergency many agents and brokers who are members of the National Guard or the officers reserve corps, or who may be drafted, may have to absent themselves from their established business.

Commissioner Taggart of Pennsylvania is prepared to set up a system of issuing temporary licenses to be secured in the same way as is now done in the event of death of the agent or broker.

The person designated by the agent or broker will upon proper application receive a temporary license for 90 days from date of military service of the regularly licensed agent or broker but is expected to qualify before the end of this period or make other arrangements to care for the business.

This will be used only if there is an immediate or unexpected call that could not have been foreseen in time to make other arrangements.

## Rate Reduction in New Jersey

NEWARK—The Schedule Rating Bureau has promulgated a new schedule for rating of public or private automobile garages, repair shops or service stations containing more than six automobiles. Various charges in the old schedule have been greatly reduced.

## Elliott Joins Buffington

F. C. Elliott, Boston broker, formerly with the Aetna Life companies for 30 years, is to become a partner with A. T. Buffington in the James N. Buffington & Co., agency of Fall River, Mass. He started with the Aetna Life in Hartford, later was assigned to San Francisco, then became assistant manager in Boston, resigning last January to open

his own brokerage office. Mr. Buffington is president of the Insurance Federation of Massachusetts.

## Baltimore Gets Maryland Meet

Baltimore has been selected for the annual meeting of the Maryland Association of Insurance Agents and Guy T. Warfield, Jr., vice-president Warfield-Dorsey Co., Baltimore, has been named chairman of the committee to arrange the convention program. The convention will be held the latter part of October.

## NEWS BRIEFS

F. W. Popp, who had some 20 years experience in the insurance business in New York City before joining the New England Underwriting Agency in Boston three years ago, will open his own general agency at 10 Postoffice Square, Boston.

The annual meeting of the Maine Association of Insurance Agents will be held at the Elmwood Hotel, Waterville, Oct. 16. F. F. Bartlett is president and R. O. Young of Portland is secretary.

K. R. Kendall of Rochester, N. H., has been appointed chairman of the educational committee of the New Hampshire Association of Insurance Agents to succeed the late J. F. DeMeritt of Exeter, who died July 14. Mr. Kendall is also chairman of the workmen's compensation committee.

## COAST

Colorado Meeting  
Program Announced

The program is announced for the annual meeting of the Colorado Association of Insurance Agents to be held at the Broadmoor Hotel, Colorado Springs, Sept. 13-14. D. U. Hampton of Colorado Springs is president and Frank England, Denver, secretary and national councillor.

The first afternoon reports will be presented by Secretary Frank England, Jr., Denver, and Treasurer Floyd Padgett, Colorado Springs. Committee reports will be given by A. P. Miller, Denver, publicity and education; M. S. Schayer, Denver, legislative; Reeve Burton, Colorado Springs, fire and accident prevention; Mr. England, men-

bership; W. D. Baker, Colorado Springs, non-stock insurance.

Visitors will be introduced including Harold Callis, Santa Barbara, president; Harry Perk, Los Angeles, vice-president and Frank Colridge, Oakland, executive secretary of the California association.

On the second day greetings will be presented by C. W. Fletcher, Hartford Fire, president Mountain Field Club; C. F. Cashman, Denver, Mountain States General Agents Association; Wade Snyder, Denver, Mountain States Casualty & Surety Association; W. J. Kulp, Denver, manager Mountain States Inspection Bureau, and R. M. Hill, Denver, manager Fire Companies Adjustment Bureau.

K. F. Vasen, secretary Commercial Standard, will speak on "Casualty Insurance" and Commissioner Kavanaugh of Colorado will talk on insurance department affairs. R. D. Voss, Omaha, district manager Stock Company Association, will discuss the HOLC situation. Special committees will report and officers will be elected.

A banquet will be held the evening of the first day with President Hampton presiding. Distinguished guests will be introduced, but there will be no speaking. Broadmoor Hotel will cooperate with facilities of recreation and amusements for all hands.

## Big Lumber Suit Settled

Former employees and creditors of the Eastern Railway & Lumber Company of Centralia, Wash., which was destroyed by a \$500,000 fire last August, now are getting wage and debt payments from insurance money just received by the company. A \$500,000 suit for recovery on policies as a result of the fire was settled out of court early in August, although the amount paid was not divulged.

## New Cotton Gin Schedule

The new cotton gin schedule for the mountain states of Colorado, Wyoming and New Mexico has now been published. One important effect is to give greater recognition to all-steel cotton gins. What gins there are in the mountain field are located in New Mexico.

## Set Sept. 25 for "Insurance Day"

SAN FRANCISCO—Following a conference between executives of insurance associations and the San Francisco Fair "Insurance Day" at the fair has been definitely set for Sept. 25, according to F. M. Hohwiesner, general chairman.

The Pacific Board has announced that

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it will close at noon on "Insurance Day" and has recommended that all member companies also close early to allow employees to participate in the demonstration.

### Vallentyne Is Reelected

Howard Vallentyne has been reelected executive secretary of the Oregon Insurance Agents Association, that action having been taken by the executive committee. He is also executive secretary of the Portland Insurance Exchange. He was elected executive secretary of the Oregon association Jan. 1, last.

### NEWS BRIEFS

J. C. Miller has been appointed manager of the Los Angeles office of the Jefferson Adjustment Bureau, succeeding R. T. Morris, resigned.

Commissioner Caminetti of California has been appointed a deputy state fire marshal.

Members of the San Francisco Insurance Women's League interested in "doing their bit" for the Red Cross are meeting Wednesday nights in the new Red Cross workroom established by insurance women in the U. S. F. & G. building. The league will organize a class in first aid starting Sept. 17.

### Companies to Ponder Next Step in Missouri Case

(CONTINUED FROM PAGE 6)

has been spent, part of it in returning the 20 percent to policyholders. The other \$336,877, too small, the court said, to be apportioned among policyholders, will be used in expenses of distributing the 80 percent, court costs, and the fee for Paul V. Barnett, special master. These costs will, it was said, run about one million dollars. The companies will pay the costs after the \$336,877 is spent.

### Not Punitive Proceeding

The proceeding is not one of punishment but one of "preventing the companies from enjoying any fruits from decrees procured by fraud," the court held. So, in connection with interest, which Superintendent Lucas had asked, the court ruled that the companies should pay actual interest earned on the funds after they were returned by the custodian and before the companies returned them again to the custodian. If the interest on the particular moneys can't be determined, companies shall pay interest on the impounded amount on the basis of the average interest earned by all its invested funds during the period it held the impounded amount.

Appeal can be taken in 90 days, and would go direct to the U. S. Supreme Court. Since the court here is a three-judge federal body, the appeal would not be taken to the circuit court of appeals.

The matter of agency commissions on impounded funds and attorneys' fees and other costs already paid by the companies was not touched upon by the court's decision.

When the court's opinion says that it has no power to order a rescission of the superintendent's rate order, it in effect leaves in force the rate order of O'Malley in 1935, which preceded the decrees that effected the O'Malley compromise. However, some question has already arisen among Missouri insurance men as to the status of the present rate level, in view of the contentions of Attorney-general McKittrick, who, in his ouster suits against the fire companies, has argued that since the rates set up by O'Malley were, along with the settlement, obtained by fraud, those rates are not legal. His argument is that the only legal rates are those in effect at the end of the Superintendent Hyde phase of the litigation.

James E. Goodrich, general counsel of the Commerce Trust and attorney for Custodian W. T. Kemper, Jr., indicated here this week that of the \$2,231,997 ordered returned to policyholders as their 20-percent under the 80-20 compromise,

all but \$1,567, over which there is controversy, and \$144,896 which has not been cashed, has been returned.

### CONTEMPT CASE IS UP

KANSAS CITY—T. J. Pendergast, former political boss; R. E. O'Malley, one-time Missouri insurance superintendent, and A. L. McCormack, St. Louis insurance man, have been ordered to show cause by Sept. 1 why they should not be cited for contempt of the three-judge federal court that approved the Missouri fire rate case settlement here in 1936.

### Illinois Bankers Rally Features A & H Session

(CONTINUED FROM PAGE 11)

in the world. The agents in self-motivation may derive some benefit from egoism, Mr. Wilson said, but far more important is the sense of performing an essential service, a belief in the company and its product, and in the job at hand and one's ability to do it.

His talk was discussed by E. W. Engelcke, manager Chicago district office, who told an interesting story about one of his young agents who on the last Hoodoo Day, Friday the 13th, started to the office with no idea of capitalizing on the sales opportunities of the day, nor trying to qualify for the Black Cat Club. In going to his garage he met his next door neighbor, mentioned that it was Friday the 13th and in a few minutes had written an accident policy. On his way to the office he needed to put gasoline in his car and stopped at a filling station where he quickly sold another policy to the attendant. Thus motivated by two quick sales before he had really settled down to work, the young agent hustled all day and easily qualified for membership in the Black Cat Club, which requires a minimum of 13 applications.

### Prefers Small Territory

An interesting talk on concentrating efforts and results in a limited territory was given by H. D. Ownby, general agent, Paris, Ill., a town of 9,000 population. Mr. Ownby writes more accident and health insurance in his small territory than all the other agents combined. He secures 75 percent of this business through satisfied customers. He is vice-president of the Leaders Club for the commercial accident and health division by reason of his leadership in that field.

It is easier to hold a clientele in a small territory than in a large one, he said. Although he has worked the territory for about 20 years, and his accident and health premiums total about \$20,000 annually, he has never reached the saturation point. He finds that the more policyholders he has in the town the more he can get. He has not been able to work the fringes of his territory so well because all of his time is required in and near Paris. Harry W. Holl, general agent Lovington, Ill., who has an adjoining territory, said he frequently ran across accident and health policyholders of Mr. Ownby and conceded the Paris general agent was the A. & H. specialist who dominated the territory.

G. A. Weaver, vice-president Leaders Club in the intermediate division and special representative at Indianapolis, told of his work methods, his talk be-

ing discussed by M. L. Wiley, special representative from that city. L. H. Kaufman, general agent, Wichita, gave a talk analyzing the Illinois Bankers "superb" accident policy, this being discussed by J. E. Harriman, general agent Youngstown, O.

Mr. Harriman pointed out that an agent makes a greater rate of commission in providing total and permanent disability protection for life insurance policies through the accident department than formerly when the clause was written by the life companies.

Mr. Davis closed the accident and health session, telling of the new "teachers' special" policy for school teachers which has been broadened over the coverage formerly given. It covers all diseases anywhere in the United States, Canada and Europe, and all accidents world wide. It is nonclassified and non-prorated, being sold with only one classification and one premium rate.

Mr. Davis also showed graphically on the blackboard how comparatively easy it is for a life agent to add \$100 a month or more to his income by devoting only a small part of his time to selling accident and health insurance. He showed that in the Illinois Bankers, an agent who writes 12 units a month, or about 2½ units a week, will begin to earn more than \$100 monthly in first commissions alone. In calculating renewals he assumed the excessive lapse rate of 25 percent and even then the total commissions from A. & H. within a year would rise to about \$170 a month, he said.

### Get Number of Rate Decreases

(CONTINUED FROM PAGE 1)

anean is dominated by the British. Hence many shipments for Greece and Turkey and other points of the eastern Mediterranean have been going around the Cape of Good Hope and through the Red Sea. Though there is no particular danger of Italian submarines as a result of the taking over of British Somaliland, this territory offers an excellent base for airplanes which can prey on shipping bound for the eastern Mediterranean through the Red Sea.

The latest action of American marine

underwriters was to raise rates to and from northern Ireland from 10 percent to 15 percent, making them the same as those for the Irish Free State.

British underwriters (not the government pool) also raised the rate this week to and from Ireland. The rate is now 20 percent in place of 15 percent for the Irish Free State and 10 percent for northern Ireland, but with certain warranties, such as the ship's being in a convoy, the rate is only 10 percent.

### Mutual Companies Map Program for Annual Muster

(CONTINUED FROM PAGE 4)

ance Companies and the Advertising Sales Conference.

The convention starts Tuesday morning, Sept. 17. L. G. Purmort, president Central Manufacturers Mutual as head of the organization, will preside. Secretary Cooper will present his report as will F. B. Fowler of Indianapolis. General Manager A. V. Gruhn of American Mutual Alliance will also report. At this session, Harry Harrison, secretary of Worcester Mutual Fire, Worcester, Mass., will give an address "Economy, Service and Stability of Mutual Insurance." At the evening session, President Purmort will give his address and Percy Bugbee, general manager of the National Fire Protection Association, will also speak.

On the second morning, Dr. V. N. Valgren, principal agricultural economist Farm Credit Administration, Washington, will talk on "Underlying Factors in Farm Mutual Success." Dr. R. C. Steinmetz, chief special investigator Mill Mutual Fire Prevention Bureau, Chicago, will talk on "The War Against the Arsonist." Thursday morning Dr. Russell Weisman, financial editor "Cleveland Plain Dealer" will give an address. H. L. Ekern of the law firm of Ekern & Meyers of Chicago, former insurance commissioner of Wisconsin, and former attorney-general of that state, will speak.

A substantial market exists for insurance on school boilers and pressure tanks. Practically every school has this hazard. Many of the most serious accidents in schools are those caused by explosion of boilers or tanks under pressure.

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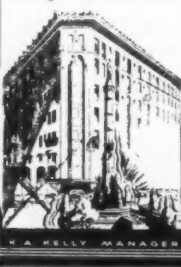
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# Famous Casualty Training Course Is Brought Up to Date

DONALD M. WOOD, JR., Ably Trained  
In Big Office, Made Editor

With competition for Casualty insurance being felt more keenly in all lines, and with the ever-increasing necessity for agents, brokers and company representatives to know more about their business in order to exist, the National Underwriter Company has now issued a revised Casualty and Surety Sales Training Course.

The big earnings in insurance are in the selling end, but modern insurance selling requires more than a warm handshake and a friendly smile. An agent to hold his business, must be well equipped to give his customers the right kind of insurance at the proper cost, otherwise a more able competitor will do so and take business away from him.

The new Casualty and Surety Sales Training Course is designed to provide training in four ways: (1) It illustrates the need for each of the principal lines of casualty insurance and the basic principles,

underlying the need; (2) It explains in detail each of the principal forms of policy currently in use, and the reasons for the various provisions in each; (3) It explains some of the reasons behind the underwriting rules, including practice in using the manual, and (4) It demonstrates how thorough knowledge of the article to be sold may be applied to actual sales.

After careful searching for some time for a capable author, the publisher selected Donald M. Wood, Jr., who is connected with the Chicago office of Childs & Wood, in which his father is a partner. Mr. Wood received his pre-insurance training at Dartmouth College. His insurance training has been received with Childs & Wood, where he has had considerable experience with all lines of casualty insurance. Mr. Wood, Jr., is a member of the Casualty Actuarial Society.

## *The course consists of 27 lessons, each dealing with different lines of casualty insurance as follows:*

1. Public Liability insurance.
2. Automobile Insurance.
3. Manufacturers' and contractors' liability insurance.
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5. Protective liability, contractual liability, and products liability insurance.
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7. Residence, estate and farm liability insurance.
8. Elevator insurance.
9. Teams liability insurance.
10. Aviation insurance.
11. Accident and health insurance.
12. Workmen's compensation and employers' liability insurance.
13. Plate glass insurance.
14. Residence burglary, robbery, theft and larceny insurance.
15. Messenger, paymaster and interior robbery insurance.
16. Safe burglary insurance.
17. Mercantile open stock burglary insurance.
18. Miscellaneous burglary, robbery and all risks insurance.
19. Bank burglary and robbery insurance.
20. Bankers' blanket bonds.
21. Fidelity bonds.
22. Surety bonds.
23. Forgery bonds.
24. Steam boiler insurance—direct damage.
25. Machinery insurance—direct damage.
26. Steam boiler and machinery insurance—consequential damage.
27. Meeting competition.

Following each lesson is a set of examination questions which the student answers and sends in for grading and comment of the instructor. When all examination questions have been answered, if the student secures a satisfactory grade, a certificate will be granted the student upon completion of the course.

The tuition for the entire course including the full set of lessons and grading of the student's papers is \$15.00 (tuition may be paid in installments at the rate of \$4.00 with enrollment and balance in three monthly installments of \$4.00 each). For classes of five or more special wholesale prices will be quoted.

## *Use This Convenient Enrollment Form Now*

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I am to be furnished with complete series of lessons, and quizzes for each lesson. My written answers are to be carefully graded, corrected and returned to me with grade indicated.

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COMPANY ..... TITLE .....

STREET ADDRESS .....

CITY AND STATE .....

## FAITH OR FORESIGHT?

"We like your unusual mailing folders on special lines—Use & Occupancy, Rent & Rental Value, etc.—but have you something equally novel that will stimulate interest in our back-bone line, straight Fire insurance?"

When, as often happens, we receive such inquiries from our agents we can answer "Yes!"

Once the cover of "Faith or Foresight" is turned back, an unusual and attention-holding presentation is revealed—a "trick folder" if you like, but one with a result-producing record.

Satisfy your curiosity as to how a Fire folder can be "different" by requesting a copy (no charge or obligation) from Publicity Department,



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